

# Council Meeting Agenda

August 10, 2011

CITY COUNCIL CHAMBERS

3:30 p.m. Closed Session; 4:30 p.m. Regular Session  
201 N. Broadway, Escondido, CA 92025

MAYOR	<b>Sam Abed</b>
DEPUTY MAYOR	<b>Marie Waldron</b>
COUNCIL MEMBERS	<b>Olga Diaz</b> <b>Ed Gallo</b> <b>Michael Morasco</b>
CITY MANAGER	<b>Clay Phillips</b>
CITY CLERK	<b>Marsha Whalen</b>
CITY ATTORNEY	<b>Jeffrey Epp</b>
DIRECTOR OF COMMUNITY DEVELOPMENT	<b>Barbara Redlitz</b>
DIRECTOR OF ENGINEERING SERVICES	<b>Ed Domingue</b>

**ELECTRONIC MEDIA:**

Electronic media which members of the public wish to be used during any public comment period should be submitted to the City Clerk's Office at least 24 hours prior to the Council meeting at which it is to be shown.

The electronic media will be subject to a virus scan and must be compatible with the City's existing system. The media must be labeled with the name of the speaker, the comment period during which the media is to be played and contact information for the person presenting the media.

The time necessary to present any electronic media is considered part of the maximum time limit provided to speakers. City staff will queue the electronic information when the public member is called upon to speak. Materials shown to the Council during the meeting are part of the public record and may be retained by the Clerk.

The City of Escondido is not responsible for the content of any material presented, and the presentation and content of electronic media shall be subject to the same responsibilities regarding decorum and presentation as are applicable to live presentations.



# Council Meeting Agenda

August 10, 2011  
3:30 p.m. Meeting

## Escondido City Council Community Development Commission

### CALL TO ORDER

**ROLL CALL:** Diaz, Gallo, Morasco, Waldron, Abed

### ORAL COMMUNICATIONS

At this time the public may comment on items not appearing on the agenda. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. (Please refer to the back page of the agenda for instructions.)

### CLOSED SESSION: (COUNCIL/CDC/RRB)

#### **I. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Government Code Section 54956.8)**

- a. Property: Old Fire Station #3 located at 2165 Village Road (APN 224-610-09).
- Agency Negotiator: Debra Lundy, Real Property Manager
- Negotiating Parties: City and Genevieve Bolger, Androusian Armenian and Mark Pierce
- Under Negotiation: Price and terms of payment

#### **II. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION (Government Code §54956.9(a))**

- a. Name of case: City v. Shiva-Om, Inc, et al., Case No. 37-2010-00056343-CU-BT-NC

#### **III. CONFERENCE WITH LEGAL COUNSEL – ANITICIPATED LITIGATION**

- a. Significant exposure to litigation pursuant to subdivision (b) of Government Code §54956.9(b): one case

**ADJOURNMENT**



# Council Meeting Agenda

**August 10, 2011  
4:30 p.m. Meeting**

**Escondido City Council  
Community Development Commission  
Mobilehome Rent Review Board**

## **CALL TO ORDER**

### **MOMENT OF REFLECTION:**

*City Council agendas allow an opportunity for a moment of silence and reflection at the beginning of the evening meeting. The City does not participate in the selection of speakers for this portion of the agenda, and does not endorse or sanction any remarks made by individuals during this time. If you wish to be recognized during this portion of the agenda, please notify the City Clerk in advance.*

### **FLAG SALUTE**

**ROLL CALL:** Diaz, Gallo, Morasco, Waldron, Abed

**PROCLAMATIONS:** NK Towing: Five City Topsy Tow Program

## **ORAL COMMUNICATIONS**

At this time the public may comment on items not appearing on the agenda. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. (Please refer to the back page of the agenda for instructions.) *NOTE: Depending on the number of requests, comments may be reduced to less than 3 minutes per speaker and limited to a total of 30 minutes. Any remaining speakers will be heard during Oral Communications at the end of the meeting.*

## CONSENT CALENDAR

Items on the Consent Calendar are not discussed individually and are approved in a single motion. However, Council members always have the option to have an item considered separately, either on their own request or at the request of staff or a member of the public.

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/CDC/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/CDC)**
3. **APPROVAL OF MINUTES: Regular Meeting of June 22, 2011**
  
4. **TREASURER'S INVESTMENT REPORT FOR THE QUARTER ENDED JUNE 30, 2011 –**  
Request Council receive and file the April through June, 2011 Treasurer's Report.

Staff Recommendation: Receive and file **(Treasurer's Office: Kenneth C. Hugins)**

5. **EMPLOYER PAID MEMBER CONTRIBUTIONS FOR MANAGEMENT, UNCLASSIFIED, PART-TIME EMPLOYEES AND ELECTED OFFICIALS –** Request Council approve reducing EPMC for City employees.

Staff Recommendation: Approval **(Human Resources: Sheryl Bennett)**

- a. RESOLUTION NO. 2011-101
- b. RESOLUTION NO. 2011-113
- c. RESOLUTION NO. 2011-114
- d. RESOLUTION NO. 2011-115

6. **TIMED PARKING RESTRICTIONS –** Request Council rescind Resolution 2011-46 and approve restricted parking seven days a week at locations previously approved at the July 13, 2011, City Council hearing.

Staff Recommendation: Approval **(Engineering Services: Ed Domingue)**

RESOLUTION NO. 2011-111

7. **FISCAL YEAR 2011 U.S. DEPARTMENT OF JUSTICE EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT AND BUDGET ADJUSTMENT -** Request Council approve a Fiscal Year 2011 Edward Byrne Memorial Justice Assistance Grant (JAG) in the amount of \$56,047 from the U.S. Department of Justice; and authorize the Chief of Police and Police Department staff to submit grant documents on behalf of the City; and approve budget adjustments needed to set up and spend grant funds to support front-line law enforcement.

Staff Recommendation: Approval **(Police Department: Jim Maher)**

**CONSENT CALENDAR - Continued**

8. **FISCAL YEAR 2012 STATE OF CALIFORNIA OFFICE OF TRAFFIC SAFETY DUI ENFORCEMENT AND AWARENESS PROGRAM GRANT AND BUDGET ADJUSTMENT** – Request Council authorize the Escondido Police Department to accept FY 2012 California Office of Traffic Safety (OTS) DUI Enforcement and Awareness Program Grant funds in the amount of \$262,141; and authorize the Chief of Police to submit grant documents on behalf of the City; and authorize staff to establish budget adjustments to spend additional grant funds.

Staff Recommendation: Approval **(Police Department: Jim Maher)**

9. **BID AWARD FOR THE REVISED ASH STREET-CHANNEL PEDESTRIAN BICYCLE PATH UNDERCROSSING** – Request Council authorize the Mayor and City Clerk to execute an agreement with Southland Paving, Inc. in the amount of \$2,042,983 for the construction of the Revised Ash Street-Channel Pedestrian Bicycle Path Undercrossing.

Staff Recommendation: Approval **(Engineering Services: Ed Domingue)**

RESOLUTION NO. 2011-96

10. **BID AWARD FOR THE FIBER OPTIC BACKBONE PROJECT** – Request Council authorize the Mayor and City Clerk to execute an agreement with John Griffin, Inc. in the amount of \$102,276 for the Fiber Optic Backbone Project.

Staff Recommendation: Approval **(Engineering Services: Ed Domingue)**

RESOLUTION NO. 2011-106

11. **NOTICE OF COMPLETION FOR THE AQUA AMMONIA TANK PROJECT** – Request Council authorize the Director of Utilities to file a Notice of Completion for the Aqua Ammonia Tank Project.

Staff Recommendation: Approval **(Utilities Division: Lori Vereker)**

RESOLUTION NO. 2011-110

12. **AWARD OF CONTRACT FOR THE ARCHITECTURAL DESIGN OF HALE AVENUE RESOURCE RECOVERY FACILITY EXPANSION PHASE III ADMINISTRATION BUILDING AND BUDGET ADJUSTMENT** – Request Council authorize the Mayor and City Clerk to execute an agreement with HB&A Architects, Inc. in the amount of \$372,650 for the Architectural Design of the HARRF Phase II Administration Building; and approve a budget adjustment in the amount of \$450,000.

Staff Recommendation: Approval **(Utilities Division: Craig Whittemore)**

RESOLUTION NO. 2011-108

**CONSENT CALENDAR - Continued**

13. **BID AWARD FOR THE SECONDARY CLARIFIERS REHABILITATION PROJECT** – Request Council authorize the Mayor and City Clerk to execute an Agreement with Stanek Constructors, Inc. in the amount of \$443,700 for the Secondary Clarifiers Rehabilitation Project at the Hale Avenue Resource Recovery Facility.

Staff Recommendation: Approval **(Utilities Division: Lori Vereker)**

RESOLUTION NO. 2011-109

14. **AWARD BID FOR WATER METERS** – Request Council determine the bid from Aqua Metric Sales to be non-responsive and accept the apparent low bid from HD Supply Waterworks in the amount of \$148,605 as the lowest responsive and responsible bidder.

Staff Recommendation: Approval **(Finance Department: Gil Rojas)**

RESOLUTION NO. 2011-107

**CONSENT - RESOLUTIONS AND ORDINANCES (COUNCIL/CDC/RRB)**

The following Resolutions and Ordinances were heard and acted upon by the City Council/CDC/RRB at a previous City Council/Community Development Commission/Mobilehome Rent Review meeting. (The title of Ordinances listed on the Consent Calendar are deemed to have been read and further reading waived.)

15. **SHORT FORM RENT INCREASE APPLICATION FOR TOWN AND COUNTRY CLUB PARK** – Request Council approve a rent increase of 50% of the change in the Consumer Price Index for the period of December 31, 2008, to December 31, 2010. This amount equals an average increase of \$5.07 per space per month. (Approved by Council on July 13, 2011, with a vote of 3/2.)

Staff Recommendation: Approval **(Housing Division: Jerry VanLeeuwen)**

RESOLUTION RRB 2011-06 (R)



## CURRENT BUSINESS

16. **REQUEST FOR EXTENSION OF TIME AND FEE WAIVER FOR THE TALK OF THE TOWN CARWASH PROJECT (2004-66-CUP, PHG 11-0015)** – Request Council approve a one-year extension of time for the previously approved Conditional Use Permit for Talk of the Town project on the northwestern corner of Centre City Parkway and Brotherton Road.

Staff Recommendation: Approval (**Community Development/Planning: Barbara Redlitz**)

RESOLUTION NO. 2011-75

17. **2013-2020 HOUSING ELEMENT (PHG 11-0028)** – Request Council authorize staff to submit the document to the State Department of Community Development (HCD) for a 60-day review and comment period.

Staff Recommendation: Approval: (**Community Development/Planning: Barbara Redlitz**)

18. **LABOR NEGOTIATIONS IMPASSE – ESCONDIDO CITY EMPLOYEES' ASSOCIATION – ADMINISTRATIVE, CLERICAL AND ENGINEERING BARGAINING UNIT** – Discussion of Impasse options.

Staff Recommendation: Provide direction to staff (**Human Resources: Sheryl Bennett**)

- a. RESOLUTION NO. 2011-103
- b. RESOLUTION NO. 2011-105

19. **LABOR NEGOTIATIONS IMPASSE – ESCONDIDO CITY EMPLOYEES' ASSOCIATION – SUPERVISORY BARGAINING UNIT** – Discussion of Impasse options.

Staff Recommendation: Provide direction to staff (**Human Resources: Sheryl Bennett**)

- a. RESOLUTION NO. 2011-104
- b. RESOLUTION NO. 2011-112

## FUTURE AGENDA

20. **FUTURE AGENDA ITEMS** - The purpose of this item is to identify issues presently known to staff or which members of the Council wish to place on an upcoming City Council agenda. Council comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.

Staff Recommendation: None (**City Clerk's Office: Marsha Whalen**)

**ORAL COMMUNICATIONS**

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**COUNCIL MEMBERS COMMITTEE REPORTS/COMMENTS/BRIEFING**

**ADJOURNMENT**

<b>UPCOMING MEETING SCHEDULE</b>				
<b>Date</b>	<b>Day</b>	<b>Time</b>	<b>Meeting Type</b>	<b>Location</b>
August 17, 2011	Wednesday	3:30 & 4:30 p.m.	Council Meeting	Council Chambers
August 24, 2011	Wednesday	3:30 & 4:30 p.m.	Council Meeting	Council Chambers
August 31, 2011	No Meeting			
September 7, 2011	No Meeting			

## TO ADDRESS THE COUNCIL

The public may address the City Council on any agenda item. Please complete a Speaker's form and give it to the City Clerk. Comments are generally limited to 3 minutes.

If you wish to speak concerning an item *not* on the agenda, you may do so under "Oral Communications." Please complete a Speaker's form as noted above.

Handouts for the City Council should be given to the City Clerk. To address the Council, use the podium in the center of the Chambers, STATE YOUR NAME FOR THE RECORD and speak directly into the microphone.

## AGENDA, STAFF REPORTS AND BACK-UP MATERIALS ARE AVAILABLE:

- Online at <http://www.ci.escondido.ca.us/government/agendas/PublishedMeetings.htm>
- In the City Clerk's Office at City Hall
- In the Library (239 S. Kalmia) during regular business hours and
- Placed in the Council Chambers (See: City Clerk/Minutes Clerk) immediately before and during the Council meeting.

**AVAILABILITY OF SUPPLEMENTAL MATERIALS AFTER AGENDA POSTING:** Any supplemental writings or documents provided to the City Council regarding any item on this agenda will be made available for public inspection in the City Clerk's Office located at 201 N. Broadway during normal business hours, or in the Council Chambers while the meeting is in session.

## LIVE BROADCAST

Council meetings are broadcast live on Cox Cable Channel 19 and U-verse Channel 99 – Escondido Gov TV. They can also be viewed the following Sunday and Monday evenings at 6:00 p.m. on those same channels. The Council meetings are also available live via the Internet by accessing the City's website at [www.escondido.org](http://www.escondido.org), and selecting: City Council/broadcasts of City Council Meetings/live video streaming.

**Please turn off all cellular phones and pagers while the meeting is in session.**

**The City Council is scheduled to meet the first four Wednesdays of the month at 3:30 in Closed Session and 4:30 in Open Session.**

*(Verify schedule with City Clerk's Office)*

**Members of the Council also sit as the Community Development Commission and the Mobilehome Rent Review Board.**

**CITY HALL HOURS OF OPERATION  
Monday-Thursday 7:30 a.m. to 5:30 p.m.**



*If you need special assistance to participate in this meeting, please contact our ADA Coordinator at 839-4641. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility.*

*Listening devices are available for the hearing impaired – please see the City Clerk.*

**CITY OF ESCONDIDO**  
**June 22, 2011**  
**3:30 p.m. Meeting Minutes**  
**Escondido City Council**  
**Community Development Commission**

**CALL TO ORDER**

The Regular Meeting of the Escondido City Council and Community Development Commission was called to order at 3:30 p.m. on Wednesday, June 22, 2011 in the Council Chambers at City Hall with Mayor Abed presiding.

**ATTENDANCE**

The following members were present: Councilmember Olga Diaz, Councilmember Ed Gallo, Councilmember Michael Morasco, and Mayor Sam Abed. Absent: Marie Waldron Quorum present. Deputy Mayor Marie Waldron arrived at 4:05 p.m.

**ORAL COMMUNICATIONS**

**CLOSED SESSION: (COUNCIL/CDC/RRB)**

**MOTION:** Moved by Councilmember Gallo and seconded by Councilmember Diaz to recess to Closed Session. Motion carried unanimously.

**I. CONFERENCE WITH LABOR NEGOTIATOR (Government Code §54957.6)**

- a. Agency Negotiator: Sheryl Bennett, Clay Phillips  
Employee organization: **Escondido City Employee Association  
Supervisory Bargaining Unit**
- b. Agency Negotiator: Sheryl Bennett, Clay Phillips  
Employee organization: **Escondido City Employee Association  
Administrative/Clerical/Engineering (ACE) Bargaining Unit**

**ADJOURNMENT**

Mayor Abed adjourned the meeting at 4:05 p.m.

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MINUTES CLERK

**CITY OF ESCONDIDO**  
**June 22, 2011**  
**4:30 p.m. Meeting Minutes**

**Escondido City Council**  
**Community Development Commission**  
**Mobilehome Rent Review Board**

**CALL TO ORDER**

The Regular Meeting of the Escondido City Council, Community Development Commission and Mobilehome Rent Review Board was called to order at 4:30 p.m. on Wednesday, June 22, 2011 in the Council Chambers at City Hall with Mayor Abed presiding.

**MOMENT OF REFLECTION**

**FLAG SALUTE**

Mayor Abed led the flag salute.

**ATTENDANCE**

The following members were present: Councilmember Olga Diaz, Councilmember Ed Gallo, Councilmember Michael Morasco, Deputy Mayor Marie Waldron, and Mayor Sam Abed.

Also present were: Clay Phillips, City Manager; Jeffrey Epp, City Attorney; Barbara Redlitz, Community Development Director; Ed Domingue, Engineering Services Director; Marsha Whalen, City Clerk; and Liane Uhl, Minutes Clerk.

**ORAL COMMUNICATIONS**

**Lisa Cooper, San Marcos**, indicated that as a City employee, she made less money now than when she started working for the City.

**Karen Tatge, ECEA Secretary**, indicated the association employees were the lowest paid in the City and were struggling to make ends meet.

**Ralph Ginese, ECEA President**, requested that Council use reserves to fund employee pension and medical costs.

## CONSENT CALENDAR

Councilmember Waldron removed item 12, Councilmember Diaz removed item 13, and Mayor Abed removed item 4 from the Consent Calendar for discussion.

**MOTION:** Moved by Councilmember Morasco and seconded by Councilmember Diaz that the following Consent Calendar items be approved with the exception of items 4, 12 and 13. Motion carried unanimously. Mo to approve

1. **AFFIDAVITS OF PUBLICATION, MAILING AND POSTING (COUNCIL/CDC/RRB)**
2. **APPROVAL OF WARRANT REGISTER (Council/CDC)**
3. **APPROVAL OF MINUTES: Regular Meeting of May 25, 2011**
  
4. **ANNUAL SUBMISSION OF THE CITY OF ESCONDIDO'S INVESTMENT POLICY – Request Council approve the June 2011 Investment Policy. (File No. 0490-55)**

Staff Recommendation: Approval (**City Treasurer's Office: Kenneth Hugins**)

### RESOLUTION NO. 2011-67

Mayor Abed stated there was no longer an Investment Subcommittee as stated in the staff report.

**MOTION:** Moved by Mayor Abed and seconded by Councilmember Diaz to approve the June 2011 Investment Policy and adopt Resolution No. 2011-67. Motion carried unanimously.

5. **MAINTENANCE AND OPERATIONS BARGAINING UNIT MEMORANDUM OF UNDERSTANDING – Request Council approve the Maintenance and Operations Bargaining Unit contract. (File No. 0740-30)**

Staff Recommendation: Approval: (**Human Resources: Sheryl Bennett**)

### RESOLUTION NO. 2011-81

6. **EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC) – Request Council approve change of EPMC for Teamsters Local 911 Maintenance and Operations Bargaining Unit. (File No. 0740-30)**

Staff Recommendation: Approval (**Human Resources: Sheryl Bennett**)

### RESOLUTION NO. 2011-87

7. **HERITAGE PROGRAM FIREMAN'S FUND AND ALLIANZ GRANT AND BUDGET ADJUSTMENT– Request Council accept \$7,855 in funding from the Fireman's Fund Insurance Company to purchase rescue equipment for the truck company; and authorize the Fire Chief to execute, on behalf of the City, all documents required for the management of this grant; and approve the budget adjustment in the amount of \$7,855 to establish a new project for the tracking of this grant. (File No. 0430-80)**

Staff Recommendation: Approval (**Fire Department: Russ Knowles**)

8. **FINAL ASSESSMENT ENGINEER'S REPORT FOR CITY OF ESCONDIDO LANDSCAPE MAINTENANCE DISTRICT ZONES 1-36 FOR FISCAL YEAR 2011/2012 – Request Council approve the Assessment Engineer's Report for Zones 1-36 of the City of Escondido Landscape Maintenance District and approve the annual levy and collection of assessments in Zones 1-36 of the LMD for FY 2011/2012. (File No. 0685-10)**

Staff Recommendation: Approval (**Engineering Services: Frank Schmitz**)

**RESOLUTION NO. 2011-70**

9. **FINAL ASSESSMENT ENGINEER'S REPORT FOR CITY OF ESCONDIDO LANDSCAPE MAINTENANCE DISTRICT ZONE 37 FOR FISCAL YEAR 2011/2012** – Request Council approve the final Assessment Engineer's Report for Zone 37 of the City of Escondido Landscape Maintenance District declaring the results of the assessment ballot tabulation for Zone 37 of the LMD, confirming that a majority protest exists to the establishment of the initial assessment for FY 201/2012 and that no initial assessment shall be imposed. (File No. 0685-10)

Staff Recommendation: Approval (**Engineering Services: Frank Schmitz**)

**RESOLUTION NO. 2011-71**

10. **FINAL MAP, ESCONDIDO TRACT SUB 09-0004, LOCATED AT 511 N. ESCONDIDO BOULEVARD** – Request Council approve the Final Map for Tract SUB 09-0004, an eight-lot, 116 unit residential condominium subdivision located at 511 N. Escondido Boulevard. (File No. 0800-10 Tract SUB-09-0004 [Tract 858])

Staff Recommendation: Approval (**Engineering Services: Ed Domingue**)

11. **ADJUSTMENTS TO POLICE GENERAL FUND BUDGET** – Request Council approve FY 2010-11 adjustments to the Police General Fund Budget for expenses reimbursed by outside agencies. (File No. 0430-80)

Staff Recommendation: Approval (**Police Department: Jim Maher**)

12. **ANIMAL CONTROL SERVICES AGREEMENT** – Request Council approve a three-year animal control services agreement with the Escondido Humane Society (EHS), authorizing the Mayor and City Clerk to execute contract documents on behalf of the City. (File No. 0600-10 [A-2624])

Staff Recommendation: Approval (**Police Department: Susan Cervenka**)

**RESOLUTION NO. 2011-82**

Councilmember Waldron presented a chart, indicated the agreement service fees had doubled, expressed frustration that the City had no where else to obtain these services, and asked if receipts could be required from the Humane Society.

Susan Cervenka, Police Department, answered that the Humane Society would not negotiate providing receipts to the City as part of the contract.

Sally Costello, Director of the Escondido Humane Society, responded to questions raised by Councilmembers related to the ever-increasing cost for services. Discussion ensued regarding the State mandated requirements vs. the Humane Society's mission to be a full service provider and the alternatives that could be explored for animal control services in the future.

**MOTION:** Moved by Councilmember Morasco and seconded by Mayor Abed to approve a three-year animal control services agreement with the Escondido Humane Society (EHS), authorizing the Mayor and City Clerk to execute contract documents on behalf of the City and adopt Resolution No. 2011-82. Ayes: Abed, Gallo, Morasco, and Waldron. Noes: Diaz. Absent: None. Motion carried.



- 13. FISCAL YEAR 2011 POLICE TOW SERVICES CONTRACTS** – Request Council authorize the Mayor and City Clerk to execute Police Tow Service Contracts with AI's Towing, Inc.; A-Z Enterprises, Inc.; Allied Gardens Towing; HMR, Inc., dba El Norte Towing; NK Towing and Roadside Services, Inc.; and Roadway Auto Towing to provide police tow services. (File No. 0600-10 [A-2698, A-2699, A-2700, A-2701, A-3023, A-3024])

Staff Recommendation: Approval (**Police Department: Jim Maher**)

**RESOLUTION NO. 2011-86**

Councilmember Diaz asked for an explanation of the process for selecting the tow companies.

Police Lieutenant Tom Albergo described the RFP process.

**Josh Park, AI's Towing**, distributed information and asked Council to limit the tow contractors to 3 or 4 and not expand to 6 contractors.

**Amir Irvani, NK Towing**, thanked Council for including their company in the tow contracts.

**Brad Ramsey, A-Z Enterprises**, asked for the towing rate sheet to be researched and asked for a fee increase.

**David Ortmeier, Allied Gardens Towing**, indicated that the rate sheet should be adjusted.

**MOTION:** Moved by Councilmember Morasco and seconded by Councilmember Waldron to authorize the Mayor and City Clerk to execute Police Tow Service Contracts with AI's Towing, Inc.; A-Z Enterprises, Inc.; Allied Gardens Towing; HMR, Inc., dba El Norte Towing; NK Towing and Roadside Services, Inc.; and Roadway Auto Towing to provide police tow services and adopt Resolution No. 2011-86. Motion carried unanimously.

- 14. SECOND AMENDMENT TO PUBLIC SERVICE AGREEMENT WITH REDWOOD SENIOR HOMES AND SERVICES FOR MEAL SERVICE** – Request Council authorize the Mayor and City Clerk to execute a Second Amendment to Public Service Agreement with Redwood Senior Homes and Services (RSHS) Town Court to provide meals for the Nutrition Program offered at the Joslyn Senior Center for an additional year (July 1, 2011 through June 30, 2012) in the amount of \$98,425. (File No. 0600-10 [A-2498])

Staff Recommendation: Approval (**Community Services: Amy Shipley**)

**RESOLUTION NO. 2011-83**

- 15. SECOND AMENDMENT TO PUBLIC SERVICE AGREEMENT WITH REDWOOD SENIOR HOMES AND SERVICES ELDERLINK FOR SENIOR TRANSPORTATION** – Request Council authorize the Mayor and City Clerk to execute a First Amendment to Public Service Agreement with Redwood Senior Homes and Services (RSHS) Elderlink to provide transportation services for the Senior Nutrition Program for an additional year (July 1, 2011 through June 30, 2012) in the amount of \$152,460. (File No. 0600-10 [A-2467])

Staff Recommendation: Approval (**Community Services: Amy Shipley**)

**RESOLUTION NO. 2011-84**

16. **SENIOR NUTRITION SERVICES CONTRACT** – Request Council authorize the Director of Community Services to enter into an agreement with the County of San Diego to provide senior nutrition services at the Joslyn Senior Center. (File No. 0600-10 Misc.)

Staff Recommendation: Approval (**Community Services: Amy Shipley**)

**RESOLUTION NO. 2011-85**

**CONSENT - RESOLUTIONS AND ORDINANCES (COUNCIL/CDC/RRB)**

None

**PUBLIC HEARINGS**

17. **SHORT FORM RENT INCREASE APPLICATION FOR CAREFREE RANCH MOBILEHOME PARK** – Request Council consider the short-form rent increase application submitted for Carefree Ranch Mobilehome Park, granting an increase of 75% if the change in the Consumer Price Index, an average of \$4.20 per space per month, for the period December 31, 2009 – December 31, 2010. (File No. 0697-20-9789)

Staff Recommendation: Approval (**Community Services/Housing Division: Jerry VanLeeuwen**)

**RESOLUTION NO. RRB 2011-05**

Michelle Henderson, Housing Department, gave the staff report and presented a series of slides.

Mayor Abed opened the public hearing and asked if anyone would like to speak on this issue in any way.

**Wayne Louth, Escondido**, reminded Council to be just, fair and reasonable when considering the rent increase.

**Larry Steneck, Escondido**, asked why residents on rent control get a rent increase and the rest of park does not.

**Jim Younce, Park Owners Representative**, indicated he was available for questions.

Mayor Abed asked if anyone else wanted to speak on this issue in any way. No one asked to be heard. Therefore, he closed the public hearing.

**MOTION:** Moved by Councilmember Gallo and seconded by Councilmember Morasco to approve the short-form rent increase and adopt Resolution No. RRB 2011-05. Motion carried unanimously.

18. **REVIEW OF STATUS OF THE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT (BID) AND LEVY BID ASSESSMENTS FOR FISCAL YEAR 2011-2012** – Request Council adopt the Downtown Business Improvement District (BID) assessment rate for FY 2011-2012. (File No. 0135-10)

Staff Recommendation: Approval: **(Community Development/Code Enforcement Division/Business Licensing: Barbara Redlitz)**

#### **RESOLUTION NO. 2011-55R**

Deputy Mayor Waldron indicated she would abstain on this item due to a conflict of interest, and left the dais.

Barbara Redlitz, Community Development Director; Thora Guthrie, Downtown Business Association President and Shawana Cruise, Downtown Business Association, gave the report and presented a series of slides.

Mayor Abed opened the public hearing and asked if anyone would like to speak on this issue in any way.

**Barry Baker, Escondido Business Owner**, expressed disagreement with the high BID fees, but noted the DBA was helpful to incoming businesses.

**Pat Mues, Escondido**, voiced support for the DBA.

**Jennifer Knotowitz, Tango Restaurant**, indicated she supported the DBA.

**Sue Dusharme, Downtown Business Association**, urged the Council to continue DBA stewardship of the BID fees.

**John Fitzgerald, The Book Mark**, indicated he objected to the BID fees.

**Dee Mata, Escondido Business Owner**, stated she did not agree with the BID fees.

**Greta Kertz, Royal Travel**, voiced her protest of the BID fees.

**Linda Brandow, Hair Salon Owner**, indicated the BID fees did not benefit her since she was on Woodward.

**Brenda Stearns, Downtown Business Owner**, stated the BID fees were too high.

**Dan Forster, Design Moe Kitchen and Bath**, indicated he is satisfied with what he received for his BID fees.

Mayor Abed asked if anyone else wanted to speak on this issue in any way. No one asked to be heard. Therefore, he closed the public hearing.

**MOTION:** Moved by Councilmember Diaz and seconded by Councilmember Morasco to reduce fees by 50%, keep the Downtown Business Association as steward of the BID fees and adopt Resolution No. 2011-55R. Ayes: Abed, Diaz, Gallo and Morasco. Noes: None. Abstain: Waldron. Motion carried.

- 19. MODIFICATION TO A COMMERCIAL PLANNED DEVELOPMENT TO AMEND THE LIST OF PERMITTED USES (PHG 11-0003)** – Request Council approve a modification to the Master Plan for the Sports Authority shopping center. (File No. 0800-40 PGH 11-0003)

Staff Recommendation: Approval **(Community Development/Planning: Barbara Redlitz)**

#### **RESOLUTION NO. 2011-76**

Bill Martin, Planning Department, gave the staff report and presented a series of slides.

Mayor Abed opened the public hearing and asked if anyone would like to speak on this issue in any way. No one asked to be heard. Therefore, he closed the public hearing.

**MOTION:** Moved by Councilmember Gallo and seconded by Councilmember Diaz to approve a modification to the Master Plan for the Sports Authority shopping center and adopt Resolution No. 2011-76. Motion carried unanimously.

**20. BUDGET ALLOCATION RECOMMENDATIONS FOR FISCAL YEAR 2011-2012 HOUSING SET-ASIDE FUNDS** – Request Council approve the FY 2011-2012 Housing Set-Aside Funds Budget. (File No. 0875-55)

Staff Recommendation: Approval (**Housing Division: Jerry VanLeeuwen**)

#### **CDC RESOLUTION NO. 2011-05R**

Jerry VanLeeuwen, Community Services Director, gave the staff report and presented a series of slides.

Mayor Abed opened the public hearing and asked if anyone would like to speak on this issue in any way.

**Don Greene, Escondido**, thanked Council for their suggestion to raise the rent subsidy amount.

Mayor Abed asked if anyone else wanted to speak on this issue in any way. No one asked to be heard. Therefore, he closed the public hearing.

**MOTION:** Moved by Councilmember Gallo and seconded by Councilmember Diaz to approve the FY 2011-2012 Housing Set-Aside Funds Budget with an increase of \$25 to rent subsidies for qualifying seniors and mobilehome owners and adopt CDC Resolution No. 2011-05R. Motion carried unanimously.

**21. SECOND AMENDMENT TO APPROVED ACTIVITIES OF THE FISCAL YEAR 2009 NEIGHBORHOOD STABILIZATION PROGRAM (NSP) GRANT** – Request Council authorize a second amendment to the approved Redevelopment Activity of the FY 2009 Neighborhood Stabilization Program (NSP) Grant to expand the permitted uses to allow funds to be used for new construction on eligible properties within the NSP Target Areas; and authorize staff to request a one year extension of the contract from the California Department of Housing and Community Development (HCD); and authorize staff to negotiate and execute said extension. (File No. 0875-55)

Staff Recommendation: Approval (**Housing Division: Jerry VanLeeuwen**)

- a. RESOLUTION NO. 2011-79**
- b. RESOLUTION NO. 2011-80**

Jerry VanLeeuwen, Community Development Director, gave the staff report and presented a series of slides.

Mayor Abed opened the public hearing and asked if anyone would like to speak on this issue in any way. No one asked to be heard. Therefore, he closed the public hearing.

**MOTION:** Moved by Councilmember Gallo and seconded by Councilmember Waldron to authorize a second amendment to the approved Redevelopment Activity of the FY 2009 Neighborhood Stabilization Program (NSP) Grant to expand the permitted uses to allow funds to be used for new construction on eligible properties within the NSP Target Areas; authorize staff to request a one year extension of the contract from the California Department of Housing and Community Development (HCD); authorize staff to negotiate and execute said extension and adopt Resolution No. 2011-79 and Resolution No. 2011-80. Motion carried unanimously.

- 22. AMENDMENT TO THE FISCAL YEAR 2011-2012 ACTION PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT(CDBG) FUNDS TO ALLOCATE PROGRAM INCOME RECEIVED FROM THE SALE OF PROPERTY** – Request Council approve an amendment to the FY 2011-2012 Action Plan for CDBG to allocate \$32,742 in program income to the Escondido Education COMPACT Healthcare Career Pipeline program and \$185,540 in program income to phase five of the Tulip Street Improvement Project. (File No. 0870-11)

Staff Recommendation: Approval (**Neighborhood Services: Rich Buquet**)

Rich Buquet, Neighborhood Services Manager, gave the staff report and presented a series of slides.

Mayor Abed opened the public hearing and asked if anyone would like to speak on this issue in any way.

**Patty Huerta, Escondido Education Compact**, urged Council to fund the Education Compact.

Mayor Abed asked if anyone else wanted to speak on this issue in any way. No one asked to be heard. Therefore, he closed the public hearing.

**MOTION:** Moved by Councilmember Diaz and seconded by Councilmember Waldron to approve an amendment to the FY 2011-2012 Action Plan for CDBG to allocate \$32,742 in program income to the Escondido Education COMPACT Healthcare Career Pipeline program and \$185,540 in program income to phase five of the Tulip Street Improvement Project. Ayes: Abed, Diaz, and Waldron. Noes: Gallo and Morasco. Absent: None. Motion carried.

## CURRENT BUSINESS

- 23. COMMUNITY WILDFIRE PROTECTION PLAN (CWPP)** – Request Council accept the CWPP. (File No. 0220-55)

Staff Recommendation: Approval (**Fire Department: Peter Montgomery**)

Peter Montgomery, Fire Department Division Chief, gave the staff report.

**MOTION:** Moved by Councilmember Morasco and seconded by Councilmember Diaz to accept the CWPP. Motion carried unanimously.

- 24. POSSIBLE AMENDMENT TO RESOLUTION 2002-62 TO ALLOW CARNIVALS AT WESTFIELD NORTH COUNTY** – Request Council consider amending Resolution 2002-62 to allow carnivals at Westfield North County. (File No. 0680-20)

Staff Recommendation: Provide direction to staff (**Council Members Ed Gallo and Marie Waldron**)

Councilmember Gallo and Councilmember Waldron led the discussion.

**Alfredo Velasco, Chamber of Commerce Chairman**, urged Council to approve the amendment to Resolution No. 2002-62 to allow the carnival at Westfield North County.

**By consensus the Council agreed to allow a temporary permit to allow the Carnival. Staff will return with amendments to Resolution No. 2002-62.**

- 25. AGREEMENT BETWEEN THE CITY OF ESCONDIDO AND LACAZE DEVELOPMENT FOR THE PROVISION OF A WALMART ON THE WEST SIDE OF HARDING STREET BETWEEN EAST VALLEY PARKWAY AND GRAND AVENUE** – Request Council approve the Economic Incentive and Operating Covenant Agreement. (File No. 0800-40)

Staff Recommendation: Approval (**Economic Development Subcommittee**)

#### **RESOLUTION NO. 2011-92**

Mayor Abed led the discussion.

**Lynnette Perkes, Poway**, indicated she did not support a Walmart in Escondido.

**Jim Crone, Escondido**, urged Council to approve the project.

**MOTION:** Moved by Councilmember Waldron and seconded by Councilmember Morasco to approve the Economic Incentive and Operating Covenant Agreement and adopt Resolution No. 2011-92. Motion carried unanimously.

### **WORKSHOP**

- 26. PRELIMINARY CITY COUNCIL ACTION PLAN – EMBRACE DIVERSITY** – Request Council provide direction regarding proposed content for the Embrace Diversity and Community Outreach element of the 2011-2012 City Council Action Plan. (File No. 0610-95)

Staff Recommendation: Provide direction (**City Manager's Office: Joyce Masterson and Human Resources: Sheryl Bennett**)

**COUNCIL ACTION:** This item was continued to the August 17, 2011 meeting.

### **FUTURE AGENDA**

- 27. FUTURE AGENDA ITEMS** - The purpose of this item is to identify issues presently known to staff or which members of the Council wish to place on an upcoming City Council agenda. Council comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.

Staff Recommendation: None (**City Clerk's Office: Marsha Whalen**)

### **ORAL COMMUNICATIONS**

None

**COUNCIL MEMBERS COMMITTEE REPORTS/COMMENTS/BRIEFING**

Mayor Abed indicated Mike O'Connor had invited the community to attend the World Trade Center Steel Cross-Country Trip to San Diego. The piece will be in Escondido on August 3, 2011. Also the Mayor's Town Hall Meeting will be held on July 12, 2011 from 4:00 p.m. - 6:00 p.m. in the Mitchell Room.

**ADJOURNMENT**

Mayor Abed adjourned the meeting at 10:02 p.m.

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MINUTES CLERK

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 4**

**Date: August 10, 2011**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Kenneth C. Hugins, City Treasurer

**SUBJECT:** Treasurer's Investment Report for the Quarter Ended June 30, 2011

**RECOMMENDATION:**

It is requested that Council receive and file the Quarterly Investment Report

**PREVIOUS ACTION:**

The Investment Report for the quarter ended March 31, 2011, was filed with the City Clerk's Office on May 16, 2011, and presented to the City Council on May 25, 2011.

**BACKGROUND:**

From April 1, 2011, to June 30, 2011, the City's investment portfolio increased from \$131.6 million to \$138.4million. The adjusted average yield increased from 2.01% to 2.11%. An excess of cash receipt inflows over cash payment outflows for the quarter resulted in an increase of \$6.8million in the book value of the investment portfolio. Major components of the net \$6.8 million increase are:

	<u>In millions</u>
Property tax and tax increment allocations	\$ 14.9
Property tax in lieu receipts	8.0
Sales tax allocations	2.7
Motor Vehicle in lieu	2.0
State Highway Tax and License Fees	1.4
Proposition 41 payments	.8
Franchise Fees	.5
Grant receipts and reimbursements	.4
Project Reimbursements	2.9



CALPERS contributions	( 3.2)
Water Bond Debt Service	( .4)
CCAE advance	( .3)
County Water Authority payments	( 3.4)
Real Property Purchases	( 6.7)
Employee Payroll	( 12.1)
Net Increase in operational cash account	<u>( .7)</u>
Net Increase to Investment Portfolio	<u>\$ 6.8</u>

Details of the City's investment portfolio are included in the attached reports that are listed below:

- Summary of Investment Allocation Graph as of June 30, 2011
- Summary of General Obligation Bond Proceeds Balance as of June 30, 2011
- Summary of Investment Portfolio Yield for the last 12 months
- Summary and Detailed Reports of Investment Portfolio – April 2011 through June 2011
- Schedule of Investments Matured and Sold – Second Quarter 2011
- Schedule of Funds Managed by Outside Parties as of June 30, 2011

The General Obligation bond proceeds are invested in a separate LAIF account as authorized by Council on August 9, 2006. This is a permitted investment pursuant to the bond's Official Statement and also meets the City's investment objectives of safety, liquidity, and risk.

There are adequate funds to meet the next six month's expected expenditures. The Union Bank of California's monthly statement and Bloomberg are the sources for the market valuation. Investment transactions are executed in compliance with the City of Escondido's Investment Policy.

Respectfully submitted,



Kenneth C. Hugins  
City Treasurer

**City of Escondido  
Summary of Investment Allocation  
as of June 30, 2011**

Investment Type	Book Value	Market Value	Percent of Portfolio at Market
Federal Farm Credit Bank Notes	\$ 18,387,173.38	\$ 18,594,284.70	13.30%
Federal Home Loan Bank Notes	43,283,985.98	44,080,415.75	31.52%
Federal Home Loan Mortgage Corp. Notes (FreddieMac)	25,329,768.41	25,672,496.00	18.36%
Federal National Mortgage Assoc. Notes (FannieMae)	21,443,646.13	21,916,419.50	15.67%
US Treasury Notes	1,981,945.18	2,038,144.25	1.46%
Local Agency Investment Fund (LAIF)	27,494,814.46	27,538,159.21	19.69%
Money Market	14,840.21	14,840.21	0.01%
<b>Total Investment Portfolio - June 2011</b>	<b>\$137,936,173.75</b>	<b>\$139,854,759.62</b>	<b>100%</b>

2004 Election General Obligation  
Bond Proceeds held separately in LAIF

\$ 414,415.43	\$ 415,068.74
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<b>Reported Total Investments- June 2011</b>	<b>\$138,350,589.18</b>	<b>\$140,269,828.36</b>
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Total Investment Portfolio - March 2011	\$131,145,028.91	\$132,706,177.87
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2004 Election General Obligation LAIF- March 2011	\$ 413,897.71	\$ 413,897.71
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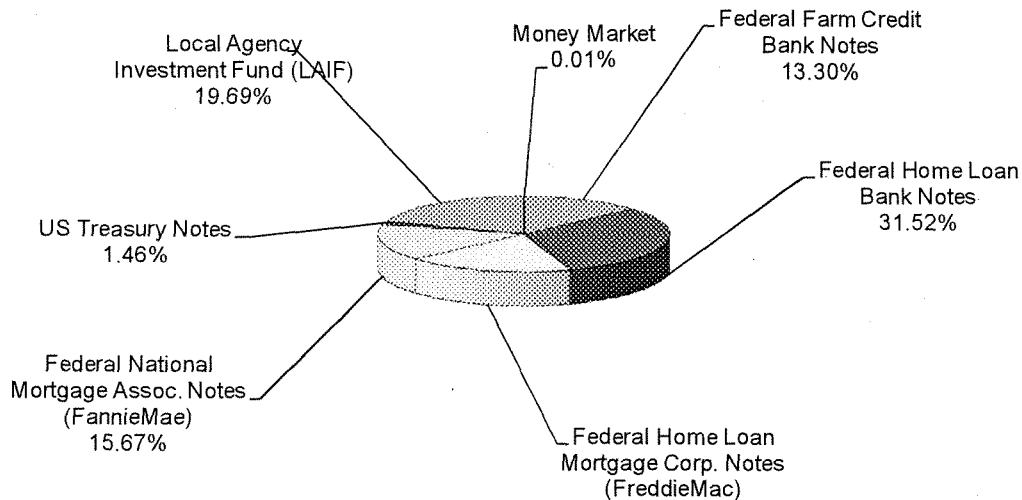
Reported Total Investments- March 2011	\$131,558,926.62	\$133,120,075.58
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Change from Prior Quarter	\$ 6,791,662.56	\$ 7,149,752.78
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Portfolio Effective Duration	1.527
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Portfolio Effective Duration - (Excluding LAIF and Money Market)	1.907
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**Summary of Investment Allocation as of June 30, 2010  
(Excluding General Obligation Bond Proceeds)**



City of Escondido  
 General Obligation Bonds, Election of 2004, Series A  
 Public Safety Facilities Project  
 Calculation of Bond Proceeds Balance  
 As of June 30, 2011

Description	(*) LAIF Interest Earnings	Project Cost Reimbursement to the City	Balance
<b>Par Value</b>			<b>\$84,350,000.00</b>
Add:			
Original Issue Bond Premium			914,861.55
Less:			
Underwriter's Discount			(292,829.00)
Cost of Issuance Expense			(220,000.00)
Credit Enhancement			(275,000.00)
<b>Net Bond Proceeds</b>			<b>84,477,032.55</b>
<b>Monthly Activities:</b>			
August to September 2006	\$ -	\$ (3,190,032.55)	81,287,000.00
September 2006 - Interest withdrawn	-		
October to December 2006	445,726.90	(3,300,000.00)	78,432,726.90
January to March 2007	1,033,671.72	(1,880,000.00)	77,586,398.62
April to June 2007	996,045.58	(200,000.00)	78,382,444.20
July to September 2007	1,022,452.03	(1,670,000.00)	77,734,896.23
October to December 2007	1,033,456.91	(1,980,000.00)	76,788,353.14
January to March 2008	970,394.61	(6,250,000.00)	71,508,747.75
April to June 2008	774,021.46	(8,300,000.00)	63,982,769.21
June 2008 - Interest Drawdown	(1,513,000.00)		62,469,769.21
July - September 2008	530,295.74	(14,000,000.00)	49,000,064.95
October to December 2008	386,163.16	(10,700,000.00)	38,686,228.11
January to March 2009	284,700.95	(7,500,000.00)	31,470,929.06
April to June 2009	169,983.58	(10,533,000.00)	21,107,912.64
July to September 2009	101,934.35	(7,300,000.00)	13,909,846.99
October to December 2009	42,769.87	(6,600,000.00)	7,352,616.86
January to March 2010	17,670.57	(1,074,000.00)	6,296,287.43
Feb 2010 - Interest Drawdown	(626,000.00)		5,670,287.43
April to June 2010	9,059.54		5,679,346.97
April 2010 - Interest Drawdown	(1,300,000.00)		4,379,346.97
June 2010 - Interest Drawdown	(1,825,000.00)		2,554,346.97
July to September 2010	6,114.18		2,560,461.15
August 2010 - Interest Drawdown	(1,300,000.00)		1,260,461.15
October 2010	2,484.95		1,262,946.10
November 2010 - Interest Drawdown	(850,000.00)		412,946.10
October to December 2010	951.61		413,897.71
January to March 2011	517.72		414,415.43
<b>Ending Balance, 06/30/2011</b>	<b>\$ 414,415.43</b>	<b>\$(84,477,032.55)</b>	<b>\$ 414,415.43</b>

**CITY OF ESCONDIDO**  
**SUMMARY OF INVESTMENT PORTFOLIO YIELDS**  
**FOR THE LAST 12 MONTHS**  
as of June 30, 2011

Date	Book Value	Yield
Jun-11	\$137,936,173.75	2.1110%
May-11	\$147,129,978.08	2.0310%
Apr-11	\$140,119,784.16	2.0780%
Mar-11	\$131,558,926.62	2.0120%
Feb-11	\$134,759,167.06	2.0410%
Jan-11	\$141,503,295.59	2.0150%
Dec-10	\$130,571,350.60	2.1850%
Nov-10	\$131,748,046.66	2.2080%
Oct-10	\$133,326,910.85	2.2330%
Sep-10	\$136,345,321.47	2.2780%
Aug-10	\$138,349,623.42	2.3760%
Jul-10	\$158,133,691.43	2.4510%

Average Annual Investment Portfolio Yield

2.1683%



**City of Escondido  
Portfolio Management  
Portfolio Summary  
April 30, 2011**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Days to Maturity	YTM/C
Calif. Local Agency Investment Fund	22,498,919.78	22,498,919.78	22,498,919.78	16.01	1	0.588
Money Market Accounting	10,511,751.52	10,511,751.52	10,511,751.52	7.48	1	0.250
Federal Agency Coupon Securities	103,461,000.00	106,930,226.24	105,126,264.73	74.80	632	2.567
Treasury Coupon Securities	1,975,000.00	2,033,501.25	1,962,848.13	1.41	917	3.053
LAF - Public Safety Facility Bonds	414,415.43	414,415.43	414,415.43	0.29	1	0.588
<b>Investments</b>	<b>138,861,086.73</b>	<b>142,388,814.22</b>	<b>140,534,199.59</b>	<b>100.00%</b>	<b>486</b>	<b>2.078</b>

Investments	April 30	Month Ending	Fiscal Year To Date
<b>Total Earnings</b>	<b>242,138.03</b>		<b>2,635,918.59</b>
Current Year			
<b>Average Daily Balance</b>	<b>136,999,432.13</b>		<b>139,709,024.67</b>
<b>Effective Rate of Return</b>	<b>2.15%</b>		<b>2.27%</b>

*Kenneth C. Hugins*  
 Kenneth C. Hugins, City Treasurer 7/20/11

**City of Escondido  
Portfolio Management  
Portfolio Details - Investments  
April 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C	Maturity Date
<b>Calif. Local Agency Investment Fund</b>											
SYS1000	1000	Local Agency Investment Fund			22,494,814.46	22,494,814.46	22,494,814.46	0.005	1	0.005	
SYS1001	1001	Local Agency Investment Fund			4,105.32	4,105.32	4,105.32	0.005	1	0.005	
		<b>Subtotal and Average</b>	<b>22,484,472.27</b>		<b>22,498,919.78</b>	<b>22,498,919.78</b>	<b>22,498,919.78</b>		<b>1</b>	<b>0.005</b>	
<b>Money Market Accounting</b>											
SYS2001	2001	Bank of America			10,511,751.52	10,511,751.52	10,511,751.52	0.003	1	0.003	
		<b>Subtotal and Average</b>	<b>6,655,650.68</b>		<b>10,511,751.52</b>	<b>10,511,751.52</b>	<b>10,511,751.52</b>		<b>1</b>	<b>0.003</b>	
<b>Federal Agency Coupon Securities</b>											
31331GCR8	10010	Federal Farm Credit		09/30/2010	1,000,000.00	1,120,180.00	1,136,777.59	4.750	1,613	1.520	09/30/2015
31331KEK2	10019	Federal Farm Credit		03/24/2011	1,000,000.00	1,012,850.00	1,006,183.56	2.400	1,780	2.265	03/15/2016
31331VJ80	3226	Federal Farm Credit		12/27/2006	1,030,000.00	1,041,463.90	1,031,043.93	5.375	78	4.840	07/18/2011
31331SSJ3	3243	Federal Farm Credit		03/21/2007	3,000,000.00	3,041,460.00	2,998,302.77	4.625	113	4.830	08/22/2011
31331VY2	3277	Federal Farm Credit		05/14/2008	1,000,000.00	1,085,350.00	1,022,648.89	5.200	689	3.870	03/20/2013
31331GNQ8	3291	Federal Farm Credit		05/28/2009	2,000,000.00	2,037,120.00	2,010,090.54	2.250	359	1.719	04/24/2012
31331VJ80	3296	Federal Farm Credit		12/28/2009	5,000,000.00	5,055,650.00	5,048,523.75	5.375	78	0.800	07/18/2011
31331Y2Q2	3308	Federal Farm Credit		03/23/2010	2,000,000.00	2,150,020.00	2,101,745.49	4.250	799	1.840	07/08/2013
31331Y3P3	3313	Federal Farm Credit		03/23/2010	1,000,000.00	1,014,130.00	1,011,607.27	3.500	155	0.730	10/03/2011
31331SNP4	3323	Federal Farm Credit		06/18/2010	1,000,000.00	1,109,110.00	1,082,988.15	4.550	1,403	2.260	03/04/2015
3133716Z4	10009	Federal Home Loan Bank		09/30/2010	1,000,000.00	989,200.00	1,003,548.24	1.625	1,611	1.541	09/28/2015
3133XTYD2	10011	Federal Home Loan Bank		09/30/2010	1,000,000.00	1,089,070.00	1,099,817.22	4.000	1,507	1.485	06/16/2015
313370JB5	10012	Federal Home Loan Bank		09/30/2010	1,000,000.00	995,410.00	1,009,405.90	1.750	1,594	1.525	09/11/2015
313371VF0	10014	Federal Home Loan Bank		12/29/2010	1,000,000.00	986,840.00	968,383.61	1.625	1,685	2.355	12/11/2015
3133XP43	10015	Federal Home Loan Bank		12/29/2010	1,000,000.00	974,570.00	957,344.89	1.375	1,685	2.360	12/11/2015
313370NE4	10017	Federal Home Loan Bank		03/24/2011	3,000,000.00	3,142,800.00	3,114,342.47	3.125	1,776	2.291	03/11/2016
3133MGYH3	3227	Federal Home Loan Bank		03/24/2011	1,000,000.00	994,120.00	986,854.01	1.630	1,572	1.950	08/20/2015
3133XJUT3	3242	Federal Home Loan Bank		12/27/2006	2,000,000.00	2,031,540.00	2,004,546.57	5.750	106	4.860	08/15/2011
3133XF5T9	3254	Federal Home Loan Bank		03/19/2007	1,000,000.00	1,040,050.00	1,001,409.75	5.000	313	4.810	03/09/2012
3133XFJY3	3259	Federal Home Loan Bank		05/29/2007	1,000,000.00	1,016,810.00	999,642.60	5.000	131	5.111	09/09/2011
313370NE4	3271	Federal Home Loan Bank		06/04/2007	500,000.00	502,620.00	500,022.90	5.250	40	5.202	06/10/2011
3133MGYH3	3274	Federal Home Loan Bank		04/25/2008	1,000,000.00	1,015,770.00	1,006,026.76	5.750	106	3.520	08/15/2011
3133XF5T9	3275	Federal Home Loan Bank		05/14/2008	1,950,000.00	1,982,779.50	1,959,399.16	5.000	131	3.549	09/09/2011
3133MJUQ1	3275	Federal Home Loan Bank		05/14/2008	1,000,000.00	1,024,890.00	1,006,864.62	4.875	198	3.510	11/15/2011
3133XKSK2	3276	Federal Home Loan Bank		05/14/2008	1,000,000.00	1,045,090.00	1,011,815.09	4.875	404	3.710	06/08/2012
3133XML66	3279	Federal Home Loan Bank		10/29/2008	2,000,000.00	2,120,440.00	2,012,491.06	4.625	528	4.150	10/10/2012

Portfolio CITY  
AP  
PM (PRF\_PM2) 7.2.5

**City of Escondido  
Portfolio Management  
Portfolio Details - Investments  
April 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C	Maturity Date
3133XPBB9	3293	Federal Home Loan Bank		06/17/2009	1,535,000.00	1,605,548.60	1,553,774.31	3.125	677	2.430	03/08/2013
3133XTHE9	3295	Federal Home Loan Bank		08/05/2009	1,000,000.00	1,019,160.00	1,000,755.39	2.000	439	1.935	07/13/2012
3133XUPZ0	3302	Federal Home Loan Bank		03/24/2010	3,000,000.00	3,120,510.00	3,046,495.05	2.625	866	2.221	09/13/2013
3133XHW57	3303	Federal Home Loan Bank		03/24/2010	1,350,000.00	1,482,030.00	1,443,506.51	4.875	957	2.108	12/13/2013
3133XVNT42	3304	Federal Home Loan Bank		03/24/2010	1,000,000.00	1,018,570.00	1,003,260.04	1.750	593	1.543	12/14/2012
3133XX4Z7	3310	Federal Home Loan Bank		03/23/2010	2,000,000.00	2,023,960.00	2,001,286.54	1.350	485	1.299	08/28/2012
3133XXL21	3311	Federal Home Loan Bank		03/23/2010	3,000,000.00	3,068,640.00	2,998,311.15	1.875	852	1.900	08/30/2013
3133XXLX3	3312	Federal Home Loan Bank		03/23/2010	2,000,000.00	2,025,880.00	1,998,520.58	1.375	544	1.426	10/26/2012
3133XUPZ0	3314	Federal Home Loan Bank		05/05/2010	1,050,000.00	1,092,178.50	1,068,336.34	2.625	866	1.860	09/13/2013
3133XUK93	3316	Federal Home Loan Bank		05/05/2010	3,000,000.00	3,063,000.00	3,026,183.00	2.000	502	1.350	09/14/2012
3133XYF91	3318	Federal Home Loan Bank		05/10/2010	2,000,000.00	2,022,640.00	1,999,735.24	1.250	484	1.260	08/27/2012
3133YDK8	3319	Federal Home Loan Bank		05/07/2010	1,000,000.00	1,025,020.00	1,002,760.55	2.000	911	1.885	10/28/2013
3133XUMR1	3322	Federal Home Loan Bank		06/18/2010	1,000,000.00	1,061,310.00	1,038,141.73	3.250	1,230	2.060	09/12/2014
3134A4FM1	3241	Federal Home Loan Mtg Assoc		03/12/2007	690,000.00	694,919.70	690,915.39	6.000	45	4.785	06/15/2011
3134A1GH7	3244	Federal Home Loan Mtg Assoc		03/30/2007	1,800,000.00	1,865,232.00	1,815,414.86	6.480	218	4.850	12/05/2011
3137EAAR0	3250	Federal Home Loan Mtg Assoc		05/22/2007	1,000,000.00	1,037,440.00	997,981.57	4.750	309	5.020	03/05/2012
3134A4FM1	3253	Federal Home Loan Mtg Assoc		05/25/2007	1,000,000.00	1,007,130.00	1,001,003.56	6.000	45	5.080	06/15/2011
3137EAAR0	3260	Federal Home Loan Mtg Assoc		06/18/2007	500,000.00	518,720.00	497,328.22	4.750	309	5.474	03/05/2012
3128X3K69	3269	Federal Home Loan Mtg Assoc		04/22/2008	1,000,000.00	1,022,940.00	1,005,482.81	4.500	198	3.410	11/15/2011
3128X7MN1	3288	Federal Home Loan Mtg Assoc		04/30/2009	5,050,000.00	5,051,414.00	5,051,203.08	3.500	4	1.320	05/05/2011
3137EAAV1	3290	Federal Home Loan Mtg Assoc		05/28/2009	3,000,000.00	3,196,860.00	3,137,418.61	5.500	477	1.860	08/20/2012
3137EACC1	3292	Federal Home Loan Mtg Assoc		05/28/2009	2,000,000.00	2,031,540.00	1,998,895.17	1.750	411	1.801	06/15/2012
3137EACD9	3321	Federal Home Loan Mtg Assoc		06/18/2010	5,000,000.00	5,268,100.00	5,173,827.80	3.000	1,184	1.880	07/28/2014
31398AU34	10013	Federal National Mtg Assoc		09/30/2010	1,000,000.00	1,025,170.00	1,036,496.88	2.375	1,549	1.480	07/28/2015
31398AU34	10016	Federal National Mtg Assoc		03/24/2011	2,000,000.00	2,050,340.00	2,034,302.82	2.375	1,549	1.951	07/28/2015
31359MZ30	3246	Federal National Mtg Assoc		04/17/2007	2,000,000.00	2,044,040.00	2,000,484.50	5.000	167	4.925	10/15/2011
3136F3K21	3247	Federal National Mtg Assoc		04/18/2007	2,000,000.00	2,013,820.00	1,995,219.12	3.640	74	4.960	07/14/2011
31359M5H2	3248	Federal National Mtg Assoc		04/18/2007	2,000,000.00	2,073,580.00	2,000,603.45	5.000	291	4.955	02/16/2012
31359MYQ0	3270	Federal National Mtg Assoc		04/22/2008	2,000,000.00	2,114,220.00	2,030,785.14	5.000	459	3.660	08/02/2012
31359MYQ0	3272	Federal National Mtg Assoc		04/25/2008	1,000,000.00	1,057,110.00	1,014,920.85	5.000	459	3.700	08/02/2012
31359MQV8	3273	Federal National Mtg Assoc		04/25/2008	2,000,000.00	2,146,780.00	2,030,672.81	4.750	662	3.811	02/21/2013
31359MQV8	3294	Federal National Mtg Assoc		07/23/2009	2,000,000.00	2,146,780.00	2,093,351.71	4.750	662	2.055	02/21/2013
31398ATL6	3300	Federal National Mtg Assoc		12/28/2009	1,000,000.00	1,010,080.00	1,008,089.68	3.625	106	0.956	08/15/2011
31398ATL60	3306	Federal National Mtg Assoc		03/24/2010	1,000,000.00	1,010,080.00	1,008,452.85	3.625	106	0.680	08/15/2011
31364GBF54	3315	Federal National Mtg Assoc		05/05/2010	1,006,000.00	1,109,960.04	1,086,878.45	5.380	885	1.930	10/02/2013

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**City of Escondido**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**April 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C	Maturity Date
<b>Federal Agency Coupon Securities</b>											
31359MSL80	3317	Federal National Mtg Assoc		05/05/2010	1,000,000.00	1,077,260.00	1,056,189.86	4.375	808	1.750	07/17/2013
31359MWJ8	3320	Federal National Mtg Assoc		06/18/2010	1,000,000.00	1,108,930.00	1,087,452.32	4.625	1,263	1.972	10/15/2014
		<b>Subtotal and Average</b>	<b>105,462,172.18</b>		<b>103,461,000.00</b>	<b>106,930,226.24</b>	<b>105,126,264.73</b>		<b>632</b>	<b>2.567</b>	
<b>Treasury Coupon Securities</b>											
912828FN5	4022	U.S. Treasury Note		10/05/2007	400,000.00	404,780.00	400,713.49	4.875	91	4.093	07/31/2011
912828GZ7	4023	U.S. Treasury Note		10/05/2007	275,000.00	289,825.25	276,285.14	4.625	457	4.207	07/31/2012
912828HE3	4024	U.S. Treasury Note		10/05/2007	300,000.00	316,476.00	300,179.91	4.250	518	4.203	09/30/2012
912828NF3	4027	U.S. Treasury Note		06/18/2010	1,000,000.00	1,022,420.00	1,005,669.59	2.125	1,491	1.978	05/31/2015
		<b>Subtotal and Average</b>	<b>1,983,062.77</b>		<b>1,975,000.00</b>	<b>2,033,501.25</b>	<b>1,982,848.13</b>		<b>917</b>	<b>3.053</b>	
<b>LAIF - Public Safety Facility Bonds</b>											
SYS10002	10002	Local Agency Investment Fund			414,415.43	414,415.43	414,415.43	0.005	1	0.005	
		<b>Subtotal and Average</b>	<b>414,173.83</b>		<b>414,415.43</b>	<b>414,415.43</b>	<b>414,415.43</b>		<b>1</b>	<b>0.005</b>	
<b>Bank of America Escrow Account</b>											
SYS5000	5000	Bank of America			0.00	0.00	0.00	0.130	1	0.130	
		<b>Subtotal and Average</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0</b>	<b>0.000</b>	
<b>UBOC Money Market Sweep</b>											
SYS2501	2501	Union Bank			0.00	0.00	0.00		1	0.000	
		<b>Subtotal and Average</b>	<b>0.41</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0</b>	<b>0.000</b>	
		<b>Total and Average</b>	<b>136,999,432.13</b>		<b>138,861,086.73</b>	<b>142,388,814.22</b>	<b>140,534,199.59</b>		<b>486</b>	<b>1.964</b>	



City of Escondido  
 Portfolio Management  
 Portfolio Details - Cash  
 April 30, 2011

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C
		Average Balance	0.00						0	
		Total Cash and Investments	136,999,432.13		138,861,086.73	142,388,814.22	140,534,199.59		486	1.964



**City of Escondido  
Portfolio Management  
Portfolio Summary  
May 31, 2011**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Days to Maturity	YTM/C
Calif. Local Agency Investment Fund	27,498,919.78	27,498,919.78	27,498,919.78	18.64	1	0.430
Money Market Accounting	6,913,582.88	6,913,582.88	6,913,582.88	4.69	1	0.250
Federal Agency Coupon Securities	106,411,000.00	110,264,978.04	108,154,892.28	73.30	722	2.587
Treasury Coupon Securities	1,975,000.00	2,043,083.50	1,982,389.24	1.34	886	3.053
LAIF - Public Safety Facility Bonds	414,415.43	414,415.43	414,415.43	0.28	1	0.413
UBOC Money Market Sweep	2,580,193.89	2,580,193.89	2,580,193.89	1.75	1	0.010
<b>Investments</b>	<b>145,793,111.98</b>	<b>149,715,173.52</b>	<b>147,544,393.50</b>	<b>100.00%</b>	<b>542</b>	<b>2.031</b>

Total Earnings	May 31	Month Ending	Fiscal Year To Date
Current Year	243,389.07		2,879,307.66
<b>Average Daily Balance</b>	<b>140,760,429.95</b>		<b>139,806,318.89</b>
<b>Effective Rate of Return</b>	<b>2.04%</b>		<b>2.24%</b>

*Kenneth C. Hugins*  
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 Kenneth C. Hugins, City Treasurer

**City of Escondido**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**May 31, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C	Maturity Date
<b>Calif Local Agency Investment Fund</b>											
SYS1000	1000	Local Agency Investment Fund			27,494,814.46	27,494,814.46	27,494,814.46	0.430	1	0.430	
SYS1001	1001	Local Agency Investment Fund			4,105.32	4,105.32	4,105.32	0.430	1	0.430	
		<b>Subtotal and Average</b>	<b>26,853,758.49</b>		<b>27,498,919.78</b>	<b>27,498,919.78</b>	<b>27,498,919.78</b>		<b>1</b>	<b>0.430</b>	
<b>Money Market Accountng</b>											
SYS2001	2001	Bank of America			6,913,582.88	6,913,582.88	6,913,582.88	0.250	1	0.250	
		<b>Subtotal and Average</b>	<b>8,902,131.24</b>		<b>6,913,582.88</b>	<b>6,913,582.88</b>	<b>6,913,582.88</b>		<b>1</b>	<b>0.250</b>	
<b>Federal Agency Coupon Securities</b>											
31331GCR8	10010	Federal Farm Credit		09/30/2010	1,000,000.00	1,132,450.00	1,134,195.26	4.750	1,582	1.520	09/30/2015
31331KEK2	10019	Federal Farm Credit		03/24/2011	1,000,000.00	1,026,870.00	1,006,077.80	2.400	1,749	2.265	03/15/2016
31331VJ80	3226	Federal Farm Credit		12/27/2006	1,030,000.00	1,037,076.10	1,030,637.21	5.375	47	4.840	07/18/2011
31331SSJ3	3243	Federal Farm Credit		03/21/2007	3,030,000.00	3,030,450.00	2,998,761.48	4.625	82	4.830	08/22/2011
31331VTY2	3277	Federal Farm Credit		05/14/2008	1,000,000.00	1,085,200.00	1,021,648.20	5.200	658	3.870	03/20/2013
31331GNQ8	3291	Federal Farm Credit		05/28/2009	2,000,000.00	2,034,940.00	2,009,232.98	2.250	328	1.719	04/24/2012
31331VJ80	3296	Federal Farm Credit		12/28/2009	5,000,000.00	5,034,350.00	5,029,618.39	5.375	47	0.800	07/18/2011
31331Y2Q2	3308	Federal Farm Credit		03/23/2010	2,000,000.00	2,154,180.00	2,097,867.00	4.250	768	1.840	07/08/2013
31331Y3P3	3313	Federal Farm Credit		03/23/2010	1,000,000.00	1,011,410.00	1,009,316.36	3.500	124	0.730	10/03/2011
31331SNP4	3323	Federal Farm Credit		06/18/2010	1,000,000.00	1,119,610.00	1,081,187.98	4.550	1,372	2.260	03/04/2015
3133716Z4	10009	Federal Home Loan Bank		09/30/2010	1,000,000.00	1,003,480.00	1,003,481.17	1.625	1,580	1.541	09/28/2015
3133XTYD2	10011	Federal Home Loan Bank		09/30/2010	1,000,000.00	1,101,030.00	1,097,800.71	4.000	1,476	1.485	06/16/2015
313370JB5	10012	Federal Home Loan Bank		09/30/2010	1,000,000.00	1,009,430.00	1,009,226.17	1.750	1,563	1.525	09/11/2015
313371VF0	10014	Federal Home Loan Bank		12/29/2010	1,000,000.00	996,380.00	968,954.99	1.625	1,654	2.355	12/11/2015
313371NW2	10015	Federal Home Loan Bank		12/29/2010	1,000,000.00	982,950.00	958,115.77	1.375	1,654	2.360	12/11/2015
3133XXP43	10017	Federal Home Loan Bank		03/24/2011	3,000,000.00	3,173,310.00	3,112,382.32	3.125	1,745	2.291	03/11/2016
313370NE4	10018	Federal Home Loan Bank		03/24/2011	1,000,000.00	1,007,930.00	987,108.61	1.630	1,541	1.950	08/20/2015
3133MGYH3	3227	Federal Home Loan Bank		12/27/2006	2,000,000.00	2,022,700.00	2,003,235.06	5.750	75	4.860	08/15/2011
3133XJUT3	3242	Federal Home Loan Bank		03/19/2007	1,000,000.00	1,036,670.00	1,001,272.43	5.000	282	4.810	03/09/2012
3133XF5T9	3254	Federal Home Loan Bank		05/29/2007	1,000,000.00	1,013,000.00	999,726.36	5.000	100	5.111	09/09/2011
3133XFJY3	3259	Federal Home Loan Bank		06/04/2007	500,000.00	500,620.00	500,005.28	5.250	9	5.202	06/10/2011
3133MGYH3	3271	Federal Home Loan Bank		04/25/2008	1,000,000.00	1,011,350.00	1,004,288.27	5.750	75	3.520	08/15/2011
3133XF5T9	3274	Federal Home Loan Bank		05/14/2008	1,950,000.00	1,975,350.00	1,957,196.23	5.000	100	3.549	09/09/2011
3133MJUQ1	3275	Federal Home Loan Bank		05/14/2008	1,000,000.00	1,021,570.00	1,005,803.08	4.875	167	3.510	11/15/2011
3133XKSK2	3276	Federal Home Loan Bank		05/14/2008	1,000,000.00	1,042,700.00	1,010,922.26	4.875	373	3.710	06/08/2012
3133XML66	3279	Federal Home Loan Bank		10/29/2008	2,000,000.00	2,117,640.00	2,011,769.04	4.625	497	4.150	10/10/2012
3133XPBB9	3293	Federal Home Loan Bank		06/17/2009	1,535,000.00	1,607,544.10	1,552,929.89	3.125	646	2.430	03/08/2013

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**City of Escondido  
Portfolio Management  
Portfolio Details - Investments  
May 31, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C	Maturity Date
<b>Federal Agency Coupon Securities</b>											
3133XTHE9	3295	Federal Home Loan Bank		08/05/2009	1,000,000.00	1,019,010.00	1,000,702.93	2.000	408	1.935	07/13/2012
3133XUPZ0	3302	Federal Home Loan Bank		03/24/2010	3,000,000.00	3,133,650.00	3,044,857.90	2.625	835	2.221	09/13/2013
3133XHW57	3303	Federal Home Loan Bank		03/24/2010	1,350,000.00	1,487,227.50	1,440,528.60	4.875	926	2.108	12/13/2013
3133XVNT42	3304	Federal Home Loan Bank		03/24/2010	1,000,000.00	1,020,180.00	1,003,092.29	1.750	562	1.543	12/14/2012
3133XX4Z7	3310	Federal Home Loan Bank		03/23/2010	2,000,000.00	2,025,520.00	2,001,205.62	1.350	454	1.299	08/28/2012
3133XXL21	3311	Federal Home Loan Bank		03/23/2010	3,000,000.00	3,082,860.00	2,988,371.54	1.875	821	1.900	08/30/2013
3133XXLX3	3312	Federal Home Loan Bank		03/23/2010	2,000,000.00	2,028,620.00	1,998,603.54	1.375	513	1.426	10/26/2012
3133XUPZ0	3314	Federal Home Loan Bank		05/05/2010	1,050,000.00	1,096,777.50	1,067,690.69	2.625	835	1.860	09/13/2013
3133XUK93	3316	Federal Home Loan Bank		05/05/2010	3,000,000.00	3,064,290.00	3,024,589.72	2.000	471	1.350	09/14/2012
3133XYF91	3318	Federal Home Loan Bank		05/10/2010	2,000,000.00	2,024,260.00	1,999,751.92	1.250	453	1.260	08/27/2012
3133XYDK8	3319	Federal Home Loan Bank		05/07/2010	1,000,000.00	1,030,440.00	1,002,668.23	2.000	880	1.885	10/28/2013
3133XUMR1	3322	Federal Home Loan Bank		06/18/2010	1,000,000.00	1,070,420.00	1,037,196.85	3.250	1,199	2.060	09/12/2014
3137EACT4	10021	Federal Home Loan Mtg Assoc		05/25/2011	3,000,000.00	3,091,620.00	3,063,059.33	2.500	1,822	2.054	05/27/2016
3137EACT5	10028	Federal Home Loan Mtg Assoc		05/25/2011	5,000,000.00	5,152,700.00	5,104,802.53	2.500	1,822	2.055	05/27/2016
3134A4FM1	3241	Federal Home Loan Mtg Assoc		03/12/2007	690,000.00	691,600.80	690,291.26	6.000	14	4.785	06/15/2011
3134A1GH7	3244	Federal Home Loan Mtg Assoc		03/30/2007	1,800,000.00	1,857,240.00	1,813,253.90	6.480	187	4.850	12/05/2011
3137EAAR0	3250	Federal Home Loan Mtg Assoc		05/22/2007	1,000,000.00	1,034,260.00	998,180.75	4.750	278	5.020	03/05/2012
3134A4FM1	3253	Federal Home Loan Mtg Assoc		05/25/2007	1,000,000.00	1,002,320.00	1,000,319.32	6.000	14	5.080	06/15/2011
3137EAAR0	3260	Federal Home Loan Mtg Assoc		06/18/2007	500,000.00	517,130.00	497,591.88	4.750	278	5.474	03/05/2012
3128X3K69	3269	Federal Home Loan Mtg Assoc		04/22/2008	1,000,000.00	1,019,910.00	1,004,634.95	4.500	167	3.410	11/15/2011
3137EAAC1	3290	Federal Home Loan Mtg Assoc		05/28/2009	3,000,000.00	3,189,150.00	3,128,628.51	5.500	446	1.860	08/20/2012
3137EACC1	3292	Federal Home Loan Mtg Assoc		05/28/2009	2,000,000.00	2,030,720.00	1,998,977.21	1.750	380	1.801	06/15/2012
3137EACD9	3321	Federal Home Loan Mtg Assoc		06/18/2010	5,000,000.00	5,299,250.00	5,169,359.22	3.000	1,153	1.880	07/28/2014
31398AU34	10013	Federal National Mtg Assoc		09/30/2010	1,000,000.00	1,038,230.00	1,035,779.85	2.375	1,518	1.480	07/28/2015
31398AU34	10016	Federal National Mtg Assoc		03/24/2011	2,000,000.00	2,076,460.00	2,033,628.90	2.375	1,518	1.951	07/28/2015
31359MZ30	3246	Federal National Mtg Assoc		04/17/2007	2,000,000.00	2,036,540.00	2,000,395.87	5.000	136	4.925	10/15/2011
3136F3K21	3247	Federal National Mtg Assoc		04/18/2007	2,000,000.00	2,008,280.00	1,997,183.87	3.640	43	4.960	07/14/2011
31359M5H2	3248	Federal National Mtg Assoc		04/18/2007	2,000,000.00	2,066,800.00	2,000,539.93	5.000	260	4.955	02/16/2012
31359MYQ0	3270	Federal National Mtg Assoc		04/22/2008	2,000,000.00	2,109,520.00	2,028,737.35	5.000	428	3.660	08/02/2012
31359MYQ0	3272	Federal National Mtg Assoc		04/25/2008	1,000,000.00	1,054,760.00	1,013,928.33	5.000	428	3.700	08/02/2012
31359MQV8	3273	Federal National Mtg Assoc		04/25/2008	2,000,000.00	2,146,640.00	2,029,257.14	4.750	631	3.811	02/21/2013
31359MQV8	3294	Federal National Mtg Assoc		07/23/2009	2,000,000.00	2,146,640.00	2,089,043.17	4.750	631	2.055	02/21/2013
31398ATL6	3300	Federal National Mtg Assoc		12/28/2009	1,000,000.00	1,007,260.00	1,005,756.12	3.625	75	0.956	08/15/2011
31364GBF54	3305	Federal National Mtg Assoc		03/24/2010	1,000,000.00	1,007,260.00	1,006,014.53	3.625	75	0.680	08/15/2011
31359MSL80	3317	Federal National Mtg Assoc		05/05/2010	1,006,000.00	1,111,972.04	1,084,092.74	5.380	854	1.930	10/02/2013
				05/05/2010	1,000,000.00	1,079,350.00	1,054,072.15	4.375	777	1.750	07/17/2013

**City of Escondido**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**May 31, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C	Maturity Date	
<b>Federal Agency Coupon Securities</b>												
31359MWJ8	3320	Federal National Mfg Assoc	102,524,281.44	06/18/2010	1,000,000.00	1,115,920.00	1,085,343.34	4.625	1,232	1.972	10/15/2014	
		<b>Subtotal and Average</b>	<b>106,411,000.00</b>		<b>110,264,978.04</b>	<b>108,154,892.28</b>			<b>722</b>	<b>2.587</b>		
<b>Treasury Coupon Securities</b>												
912828FN5	4022	U.S. Treasury Note		10/05/2007	400,000.00	403,172.00	400,470.43	4.875	60	4.093	07/31/2011	
912828GZ7	4023	U.S. Treasury Note		10/05/2007	275,000.00	289,008.50	276,197.96	4.625	426	4.207	07/31/2012	
912828HE3	4024	U.S. Treasury Note		10/05/2007	300,000.00	315,903.00	300,169.14	4.250	487	4.203	09/30/2012	
912828NF3	4027	U.S. Treasury Note		06/18/2010	1,000,000.00	1,035,000.00	1,005,551.71	2.125	1,460	1.978	05/31/2015	
		<b>Subtotal and Average</b>	<b>1,982,611.29</b>		<b>1,975,000.00</b>	<b>2,043,083.50</b>	<b>1,982,389.24</b>		<b>886</b>	<b>3.053</b>		
<b>LAIF - Public Safety Facility Bonds</b>												
SYS10002	10002	Local Agency Investment Fund			414,415.43	414,415.43	414,415.43	0.430	1	0.430		
		<b>Subtotal and Average</b>	<b>414,415.43</b>		<b>414,415.43</b>	<b>414,415.43</b>			<b>1</b>	<b>0.430</b>		
<b>Bank of America Escrow Account</b>												
SYS5000	5000	Bank of America			0.00	0.00	0.00	0.130	1	0.130		
		<b>Subtotal and Average</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>			<b>0</b>	<b>0.000</b>		
<b>UBOC Money Market Sweep</b>												
SYS2501	2501	Union Bank			2,580,193.89	2,580,193.89	2,580,193.89		1	0.000		
		<b>Subtotal and Average</b>	<b>83,232.06</b>		<b>2,580,193.89</b>	<b>2,580,193.89</b>			<b>1</b>	<b>0.000</b>		
		<b>Total and Average</b>	<b>140,760,429.95</b>		<b>145,793,111.98</b>	<b>149,715,173.52</b>	<b>147,544,393.50</b>		<b>542</b>	<b>2.031</b>		

City of Escondido  
 Portfolio Management  
 Portfolio Details - Cash  
 May 31, 2011

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C
		Average Balance	0.00						0	
		Total Cash and Investments	140,760,429.95		145,793,111.98	149,715,173.52	147,544,393.50		542	2.031



**City of Escondido  
Portfolio Management  
Portfolio Summary  
June 30, 2011**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Days to Maturity	YTM/C
Calif. Local Agency Investment Fund	27,494,814.46	27,538,159.21	27,494,814.46	19.87	1	0.448
Money Market Accounting	14,840.21	14,840.21	14,840.21	0.01	1	0.250
Federal Agency Coupon Securities	106,721,000.00	110,263,615.95	108,444,573.90	78.38	733	2.522
Treasury Coupon Securities	1,975,000.00	2,038,144.25	1,981,945.18	1.43	856	3.053
LAIIF - Public Safety Facility Bonds	414,415.43	415,068.74	414,415.43	0.30	1	0.448
<b>Investments</b>	<b>136,620,070.10</b>	<b>140,269,828.36</b>	<b>138,350,589.18</b>	<b>100.00%</b>	<b>587</b>	<b>2.111</b>

Total Earnings	June 30 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	247,979.61	3,127,287.27	3,127,287.27
Average Daily Balance	145,441,901.72	140,269,517.48	
Effective Rate of Return	2.07%	2.23%	

*Kenneth C. Hugins*  
 Kenneth C. Hugins, City Treasurer

**City of Escondido  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C	Maturity Date
<b>Calif. Local Agency Investment Fund</b>											
SYS1000	1000	Local Agency Investment Fund			27,494,814.46	27,538,159.21	27,494,814.46	0.448	1	0.448	
SYS1001	1001	Local Agency Investment Fund			0.00	0.00	0.00	0.448	1	0.448	
	<b>Subtotal and Average</b>		<b>27,497,825.03</b>		<b>27,494,814.46</b>	<b>27,538,159.21</b>	<b>27,494,814.46</b>		<b>1</b>	<b>0.448</b>	
<b>Money Market Accounting</b>											
SYS2001	2001	Bank of America			14,840.21	14,840.21	14,840.21	0.250	1	0.250	
	<b>Subtotal and Average</b>		<b>6,120,291.46</b>		<b>14,840.21</b>	<b>14,840.21</b>			<b>1</b>	<b>0.250</b>	
<b>Federal Agency Coupon Securities</b>											
31331GCR8	10010	Federal Farm Credit		09/30/2010	1,000,000.00	1,124,400.00	1,131,612.92	4.750	1,552	1.520	09/30/2015
31331KEK2	10019	Federal Farm Credit		03/24/2011	1,000,000.00	1,022,300.00	1,005,972.04	2.400	1,719	2.265	03/15/2016
31331VJ80	3226	Federal Farm Credit		12/27/2006	1,030,000.00	1,032,564.70	1,030,230.48	5.375	17	4.840	07/18/2011
31331SSJ3	3243	Federal Farm Credit		03/21/2007	3,000,000.00	3,019,230.00	2,999,220.19	4.625	52	4.830	08/22/2011
31331VTY2	3277	Federal Farm Credit		05/14/2008	1,000,000.00	1,081,020.00	1,020,647.51	5.200	628	3.870	03/20/2013
31331GNQ8	3291	Federal Farm Credit		05/28/2009	2,000,000.00	2,031,040.00	2,008,375.43	2.250	298	1.719	04/24/2012
31331VJ80	3296	Federal Farm Credit		12/28/2009	5,000,000.00	5,012,450.00	5,010,713.04	5.375	17	0.800	07/18/2011
31331Y2Q2	3308	Federal Farm Credit		03/23/2010	2,000,000.00	2,148,840.00	2,093,988.52	4.250	738	1.840	07/08/2013
31331Y3P3	3313	Federal Farm Credit		03/23/2010	1,000,000.00	1,008,630.00	1,007,025.45	3.500	94	0.730	10/03/2011
31331SNP4	3323	Federal Farm Credit		06/18/2010	1,000,000.00	1,113,810.00	1,079,387.80	4.550	1,342	2.260	03/04/2015
3133716Z4	10009	Federal Home Loan Bank		09/30/2010	1,000,000.00	997,600.00	1,003,414.09	1.625	1,550	1.541	09/28/2015
3133XTYD2	10011	Federal Home Loan Bank		09/30/2010	1,000,000.00	1,093,210.00	1,095,784.20	4.000	1,446	1.485	06/16/2015
313370JB5	10012	Federal Home Loan Bank		09/30/2010	1,000,000.00	1,005,000.00	1,009,046.43	1.750	1,533	1.525	09/11/2015
313371VF0	10014	Federal Home Loan Bank		12/29/2010	1,000,000.00	990,830.00	969,526.37	1.625	1,624	2.355	12/11/2015
313371NW2	10015	Federal Home Loan Bank		12/29/2010	1,000,000.00	977,700.00	958,886.64	1.375	1,624	2.360	12/11/2015
3133XXP43	10017	Federal Home Loan Bank		03/24/2011	3,000,000.00	3,153,870.00	3,110,422.16	3.125	1,715	2.291	03/11/2016
313370NE4	10018	Federal Home Loan Bank		03/24/2011	1,000,000.00	1,001,870.00	987,363.22	1.630	1,511	1.950	08/20/2015
3133MGYH3	3227	Federal Home Loan Bank		12/27/2006	2,000,000.00	2,013,480.00	2,001,923.55	5.750	45	4.860	08/15/2011
3133XJUT3	3242	Federal Home Loan Bank		03/19/2007	1,000,000.00	1,032,360.00	1,001,135.12	5.000	252	4.810	03/09/2012
3133XF5T9	3254	Federal Home Loan Bank		05/29/2007	1,000,000.00	1,009,000.00	999,810.13	5.000	70	5.111	09/09/2011
3133MGYH3	3274	Federal Home Loan Bank		04/25/2008	1,000,000.00	1,006,740.00	1,002,549.78	5.750	45	3.520	08/15/2011
3133XF5T9	3275	Federal Home Loan Bank		05/14/2008	1,950,000.00	1,967,550.00	1,954,993.31	5.000	70	3.549	09/09/2011
3133MJUQ1	3276	Federal Home Loan Bank		05/14/2008	1,000,000.00	1,017,730.00	1,004,741.54	4.875	137	3.510	11/15/2011
3133XKSJ2	3276	Federal Home Loan Bank		05/14/2008	1,000,000.00	1,038,760.00	1,010,029.43	4.875	343	3.710	06/08/2012
3133XML66	3279	Federal Home Loan Bank		10/29/2008	2,000,000.00	2,109,580.00	2,011,047.01	4.525	467	4.150	10/10/2012
3133XPBB9	3293	Federal Home Loan Bank		06/17/2009	1,535,000.00	1,603,844.75	1,552,085.47	3.125	616	2.430	03/08/2013
3133XTHE9	3295	Federal Home Loan Bank		08/05/2009	1,000,000.00	1,017,150.00	1,000,650.47	2.000	378	1.935	07/13/2012

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**City of Escondido**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C	Maturity Date	
<b>Federal Agency Coupon Securities</b>												
3133XUPZ0	3302	Federal Home Loan Bank		03/24/2010	3,000,000.00	3,132,090.00	3,043,220.75	2.625	805	2.221	09/13/2013	
3133XHW57	3303	Federal Home Loan Bank		03/24/2010	1,350,000.00	1,485,229.50	1,437,550.69	4.875	896	2.108	12/13/2013	
3133XVNT42	3304	Federal Home Loan Bank		03/24/2010	1,000,000.00	1,018,750.00	1,002,924.53	1.750	532	1.543	12/14/2012	
3133XX4Z7	3310	Federal Home Loan Bank		03/23/2010	2,000,000.00	2,022,960.00	2,001,124.71	1.350	424	1.299	08/28/2012	
3133XXL21	3311	Federal Home Loan Bank		03/23/2010	3,000,000.00	3,082,710.00	2,998,431.92	1.875	791	1.900	08/30/2013	
3133XXLX3	3312	Federal Home Loan Bank		03/23/2010	2,000,000.00	2,026,120.00	1,998,686.50	1.375	483	1.426	10/26/2012	
3133XUPZ0	3314	Federal Home Loan Bank		05/05/2010	1,050,000.00	1,096,231.50	1,067,045.05	2.825	805	1.860	09/13/2013	
3133XUK93	3316	Federal Home Loan Bank		05/05/2010	3,000,000.00	3,058,860.00	3,022,996.43	2.000	441	1.350	09/14/2012	
3133XYF91	3318	Federal Home Loan Bank		05/10/2010	2,000,000.00	2,021,760.00	1,999,768.61	1.250	423	1.260	08/27/2012	
3133XYDK8	3319	Federal Home Loan Bank		05/07/2010	1,000,000.00	1,030,900.00	1,002,575.90	2.000	850	1.885	10/28/2013	
3133XUMR1	3322	Federal Home Loan Bank		06/18/2010	1,000,000.00	1,068,530.00	1,036,251.97	3.250	1,169	2.060	09/12/2014	
3137EACT4	10021	Federal Home Loan Mtg Assoc		05/25/2011	3,000,000.00	3,076,740.00	3,062,006.00	2.500	1,792	2.054	05/27/2016	
3137EACT5	10028	Federal Home Loan Mtg Assoc		05/25/2011	5,000,000.00	5,127,900.00	5,103,051.93	2.500	1,792	2.055	05/27/2016	
3137EACT6	10029	Federal Home Loan Mtg Assoc		06/01/2011	2,500,000.00	2,563,950.00	2,569,806.66	2.500	1,792	1.900	05/27/2016	
3134AIGH7	3244	Federal Home Loan Mtg Assoc		03/30/2007	1,800,000.00	1,848,366.00	1,811,092.94	6.480	157	4.850	12/05/2011	
3137EAAR0	3250	Federal Home Loan Mtg Assoc		05/22/2007	1,000,000.00	1,030,160.00	998,379.94	4.750	248	5.020	03/05/2012	
3137EAAR0	3260	Federal Home Loan Mtg Assoc		06/18/2007	500,000.00	515,080.00	497,855.55	4.750	248	5.474	03/05/2012	
3128XK69	3269	Federal Home Loan Mtg Assoc		04/22/2008	1,000,000.00	1,016,370.00	1,003,787.09	4.500	137	3.410	11/15/2011	
3137EAAV1	3290	Federal Home Loan Mtg Assoc		05/28/2009	3,000,000.00	3,175,020.00	3,119,838.41	5.500	416	1.860	08/20/2012	
3137EACC1	3292	Federal Home Loan Mtg Assoc		05/28/2009	2,000,000.00	2,027,360.00	1,999,059.25	1.750	350	1.801	06/15/2012	
3137EACD9	3321	Federal Home Loan Mtg Assoc		06/18/2010	5,000,000.00	5,291,550.00	5,164,890.64	3.000	1,123	1.880	07/28/2014	
31398AU34	10013	Federal National Mtg Assoc		09/30/2010	1,000,000.00	1,029,530.00	1,035,062.82	2.375	1,488	1.480	07/28/2015	
31398AU34	10016	Federal National Mtg Assoc		03/24/2011	2,000,000.00	2,059,060.00	2,032,954.97	2.375	1,488	1.951	07/28/2015	
31359MZ30	3246	Federal National Mtg Assoc		04/17/2007	2,000,000.00	2,028,300.00	2,000,307.24	5.000	106	4.925	10/15/2011	
3136F9K21	3247	Federal National Mtg Assoc		04/18/2007	2,000,000.00	2,002,500.00	1,999,148.61	3.640	13	4.960	07/14/2011	
31359M5H2	3248	Federal National Mtg Assoc		04/22/2008	2,000,000.00	2,058,320.00	2,000,476.41	5.000	230	4.955	02/16/2012	
31359MYQ0	3270	Federal National Mtg Assoc		04/25/2008	2,000,000.00	2,100,880.00	2,026,689.56	5.000	398	3.660	08/02/2012	
31359MYQ0	3272	Federal National Mtg Assoc		04/25/2008	1,000,000.00	1,050,440.00	1,012,935.82	5.000	398	3.700	08/02/2012	
31359MQV8	3273	Federal National Mtg Assoc		04/25/2008	2,000,000.00	2,139,480.00	2,027,841.47	4.750	601	3.811	02/21/2013	
31359MQV8	3294	Federal National Mtg Assoc		07/23/2009	2,000,000.00	2,139,480.00	2,084,734.63	4.750	601	2.055	02/21/2013	
31398ATL6	3300	Federal National Mtg Assoc		12/28/2009	1,000,000.00	1,004,310.00	1,003,422.56	3.625	45	0.956	08/15/2011	
31398ATL6	3306	Federal National Mtg Assoc		03/24/2010	1,000,000.00	1,004,310.00	1,003,576.21	3.625	45	0.680	08/15/2011	
31364GBF54	3315	Federal National Mtg Assoc		05/05/2010	1,006,000.00	1,109,869.50	1,081,307.03	5.380	824	1.930	10/02/2013	
31359MSL80	3317	Federal National Mtg Assoc		05/05/2010	1,000,000.00	1,077,180.00	1,051,954.44	4.375	747	1.750	07/17/2013	
31359MWJ8	3320	Federal National Mtg Assoc		06/18/2010	1,000,000.00	1,112,760.00	1,083,234.36	4.625	1,202	1.972	10/15/2014	
<b>Subtotal and Average</b>							<b>106,721,000.00</b>	<b>110,263,615.95</b>	<b>109,427,209.49</b>	<b>733</b>	<b>2.522</b>	

**City of Escondido**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C	Maturity Date	
<b>Treasury Coupon Securities</b>												
912828FN5	4022	U.S. Treasury Note		10/05/2007	400,000.00	401,592.00	400,235.22	4.875	30	4.093	07/31/2011	
912828GZ7	4023	U.S. Treasury Note		10/05/2007	275,000.00	287,988.25	276,113.60	4.625	396	4.207	07/31/2012	
912828HE3	4024	U.S. Treasury Note		10/05/2007	300,000.00	314,814.00	300,158.72	4.250	457	4.203	09/30/2012	
912828NF3	4027	U.S. Treasury Note		06/18/2010	1,000,000.00	1,033,750.00	1,005,437.64	2.125	1,430	1.978	05/31/2015	
		<b>Subtotal and Average</b>	<b>1,982,159.82</b>		<b>1,975,000.00</b>	<b>2,038,144.25</b>	<b>1,981,945.18</b>		<b>856</b>	<b>3.053</b>		
<b>LAIF - Public Safety Facility Bonds</b>												
SYS10002	10002	Local Agency Investment Fund			414,415.43	415,068.74	414,415.43	0.448	1	0.448		
		<b>Subtotal and Average</b>	<b>414,415.43</b>		<b>414,415.43</b>	<b>415,068.74</b>	<b>414,415.43</b>		<b>1</b>	<b>0.448</b>		
<b>Bank of America Escrow Account</b>												
SYS5000	5000	Bank of America			0.00	0.00	0.00	0.130	1	0.130		
		<b>Subtotal and Average</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0</b>	<b>0.000</b>		
<b>UBOC Money Market Sweep</b>												
SYS2501	2501	Union Bank			0.00	0.00	0.00	0.010	1	0.010		
		<b>Subtotal and Average</b>	<b>0.49</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0</b>	<b>0.000</b>		
		<b>Total and Average</b>	<b>145,441,901.72</b>		<b>136,620,070.10</b>	<b>140,269,828.36</b>	<b>138,350,589.18</b>		<b>587</b>	<b>2.111</b>		

**City of Escondido**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**June 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Maturity	YTM/C
		Average Balance	0.00						0	
		Total Cash and Investments	145,441,901.72		136,620,070.10	140,269,828.36	138,350,589.18		587	2.111



**City of Escondido  
Maturity Report  
Sorted by Maturity Date**

Received or due during April 1, 2011 - June 30, 2011

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date at Maturity	Rate	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
3137EAAB5	3258	004	FAC	FHLMC	510,000.00	04/18/2011	06/04/2007	5.125	510,000.00	13,068.75	523,068.75	13,068.75
3128X7MN1	3288	003	FAC	FHLMC	5,050,000.00	05/05/2011	04/30/2009	3.500	5,050,000.00	88,375.00	5,138,375.00	88,375.00
3133XFJY3	3259	004	FAC	FHLB	500,000.00	06/10/2011	06/04/2007	5.250	500,000.00	13,125.00	513,125.00	13,125.00
3134A4FM1	3241	004	FAC	FHLMC	690,000.00	06/15/2011	03/12/2007	6.000	690,000.00	20,700.00	710,700.00	20,700.00
3134A4FM1	3253	003	FAC	FHLMC	1,000,000.00	06/15/2011	05/25/2007	6.000	1,000,000.00	30,000.00	1,030,000.00	30,000.00
<b>Total Maturities</b>					<b>7,750,000.00</b>				<b>7,750,000.00</b>	<b>165,268.75</b>	<b>7,915,268.75</b>	<b>165,268.75</b>

CITY OF ESCONDIDO  
 FUNDS MANAGED BY OUTSIDE PARTIES  
 As of June 30 2011

Type of Funds / Institution	Market Value	Interest Rate	Reserve Fund	
			Type of Investment	
<b><u>BOND FUNDS</u></b>				
<b>BANK OF NEW YORK:</b>				
1993 Vineyard Golf Course Certificates of Participation	\$ 702,423.88	0.300%	FNMA	Discount Note / Money Market
2001 Reidy Creek Golf Course Lease Revenue Bonds (issued April 2001)	542,988.23	0.300%	FNMA	Discount Note / Money Market
1992 Community Development Commission Revenue Bond	348,740.95	0.253%	FNMA	Discount Note / Money Market
2001 JPFA Lease Revenue Bonds (1992 CDC Refunding)	2,248,609.12	0.300%	FNMA	Discount Note / Money Market
2000A COP - Water Project (Certificates issued March 2000)	1,391,954.56	0.189%	FNMA	Discount Note / Money Market
2002A COP - Water Project (Certificates issued August 2002)	845,209.47	0.300%	FNMA	Discount Note / Money Market
2007 COP - Water Project (Certificates issued September 2007)	11,371,009.90	0.010%		Money Market
2004A Wastewater Bond (1996 Wastewater Refunding)	2,029,552.26	0.300%	FNMA	Discount Note / Money Market
2004B Wastewater Bond - Brine Project	3,588,886.90	0.084%	FNMA	Discount Note / Money Market
2001 Community Facility District (Hidden Trails)	259,064.57	0.272%	FNMA	Discount Note / Money Market
2006 Community Facility District (Eureka Ranch)	2,983,302.76	0.131%	FNMA	Discount Note / Money Market
1986-1R/98 Auto Parkway Assessment District	331,426.38	0.299%	FNMA	Discount Note / Money Market
1998-1 Rancho San Pasqual Assessment District	336,788.80	0.299%	FNMA	Discount Note / Money Market
<b>TOTAL FUNDS MANAGED BY OUTSIDE PARTIES</b>	<b>\$ 26,979,957.78</b>			

# CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 5**

**Date: August 10, 2011**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Sheryl Bennett, Director of Human Resources  
Cindy Titgen, Benefits & Workers' Compensation Manager

**SUBJECT:** Employer Paid Member Contributions for Management, Unclassified, Part-Time Employees and Elected Officials

**RECOMMENDATION:**

Staff recommends that Council approve the attached resolutions, namely, Resolution Nos. 2011-101, 2011-113, 2011-114, to reduce the employer paid member contributions paid by the City to zero percent (0%) for Management, Unclassified, and Part-Time Employees. Due to the change to the Management and Unclassified Resolution, staff recommends that Council approve Resolution No. 2011-115 to allow for the continuation of employer paid member contributions for Elected Officials

**FISCAL ANALYSIS:**

Employee Services budget savings up to 7% for Management, Unclassified, and Part-Time employees under the California Employee Personnel Retirement System (CalPERS).

Employee Services budgeted savings of 3.75% for Part-Time employees under the Public Agency Alternate Retirement Services (PARS).

**BACKGROUND:**

A contracting agency with CalPERS may agree to pay all or a portion of normal contributions otherwise required to be paid by members of an employee group. When the employer pays the employee's contributions to CalPERS, it is called "Employer-Paid Member Contributions" (EPMC).

On June 25, 2000, Council approved Resolution 2000-145 authorizing the City to implement reporting and paying the value of 7% EPMC for unclassified, clerical, technical, management and elected employees. In accordance with Council direction, effective August 7, 2011, the City will reduce the payment and reporting of the value of employees' compensation as employer member paid contributions (EPMC) from seven percent (7%) to zero percent (0%) for unclassified, clerical, technical, and management employees. Accordingly, CalPERS requires adoption of Resolution No. 2011-101 to authorize CalPERS to reduce EPMC paid by the City from 7% to 0%. Since City Council policy requires the City Council to discuss its compensation during a meeting in December of odd

Resolution Reducing City's Retirement Contribution

Page 2

numbered years, staff recommends that Council approve Resolution No. 2011-115 to allow for the continuation of employer paid member contributions for Elected Officials until the City Council is able to more fully discuss its compensation.

Accordingly, staff recommends approval of Resolution No. 2011-101 to reduce the paying and reporting of the value of EPMC to 0% for current and future Management and Unclassified Employees effective August 7, 2011 and approval of Resolution No. 2011-115 to allow for the continuation of employer paid member contributions for Elected Officials.

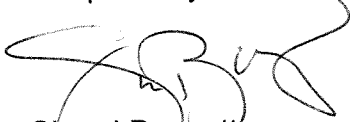
The City employs temporary, part-time employees who are members of CalPERS or PARS Retirement Plans.

CalPERS: In accordance with Council direction, effective August 7, 2011, the City will reduce the payment of EPMC from 7% or 4.5% to 0%. Accordingly CalPERS requires adoption of Resolution No. R2011-113 to authorize CalPERS to reduce EPMC paid by the City from 7% or 4.5% to 0%.

PARS: In accordance with Council direction, effective August 7, 2011, the City will reduce paying any employer contributions into PARS, thereby changing the City's contribution from 3.75% to 0%. In addition, language is included in the Resolution allowing tax-deferred treatment (pre-tax) for contributions paid by Part-Time employees. Accordingly, Resolution No. R2011-114 is necessary to authorize PARS to reduce the City's contribution from 3.75% to 0% and to allow employees to defer state and federal income taxes on their contributions.

Pursuant to City Council direction for City employees to fully pay their employee pension contributions, Staff recommends approval of: Resolution No. 2011-113 to reduce EPMC from 7% or 4.5% to 0% and Resolution No. 2011-114 to reduce the employer contribution from 3.75% to 0% and allows employees to tax-deferred treatment for their contributions effective August 7, 2011 for all current and future Part-Time employees.

Respectfully submitted



Sheryl Bennett  
Director of Human Resources



Cindy Titgen  
Benefits & Workers' Compensation Manager

RESOLUTION NO. 2011-101

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
FOR PAYING AND REPORTING THE VALUE  
OF EMPLOYER PAID MEMBER  
CONTRIBUTIONS (GOVERNMENT CODE  
SECTION 20636(c)(4)) FOR UNCLASSIFIED  
CLERICAL, TECHNICAL AND MANAGEMENT  
EMPLOYEES

WHEREAS, the Escondido City Council has the authority to implement Government Code Section 20636(c)(4) pursuant to Section 20691; and

WHEREAS, the City previously had a written labor policy or agreement which specifically provided for the inclusion of normal member contributions paid by the employer on behalf of the members as special compensation;

WHEREAS, effective June 25, 2000, the City Council approved Resolution No. 2000-145 to elect to pay seven percent (7%) of employees' compensation Earnable as Employer Paid Member Contributions and report the same Percent (value) of compensation earnable as special compensation for all Unclassified Clerical, Technical, and Management employees;

WHEREAS, the City Council now desires to reduce the payment and reporting value of employees' compensation Earnable as Employer Paid Member Contributions from seven percent (7%) to zero percent (0%); and

WHEREAS, a required step in the procedure to change the paying and reporting of Employer Paid Member Contributions is the adoption by the City Council of a Resolution to reduce paying and reporting the value of seven percent (7%) Employer Paid Member Contributions (EPMC); and



WHEREAS, the following is a statement of the proposed change in reporting compensation to PERS:

**This change shall apply as follows:**

**The City of Escondido elects to pay zero percent (0%) of employee's compensation Earnable as Employer Paid Member Contributions and report the same Percent (value) of compensation earnable as special compensation. This shall apply to all employees of the Unclassified Clerical, Technical, and Management group.**

**The effective date of this Resolution shall be August 7, 2011.**

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.
2. The City Council elects to pay zero percent (0%) of employee's compensation Earnable as Employer Paid Member Contributions and report the same Percent (value) of compensation earnable as special compensation for all employees of the Unclassified Clerical, Technical, and Management group.

RESOLUTION NO. 2011-113

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
FOR PAYING EMPLOYER PAID MEMBER  
CONTRIBUTIONS (GOVERNMENT CODE  
SECTION 20636(c)(4)) FOR ELIGIBLE-  
COVERED PART-TIME EMPLOYEES

WHEREAS, the Escondido City Council has the authority to implement Government Code Section 20636(c)(4) pursuant to Section 20691; and

WHEREAS, the City previously had a written labor policy or agreement which specifically provided for the inclusion of normal member contributions paid by the employer on behalf of the members; and

WHEREAS, the City Council now desires to reduce the payment of employees' compensation as Employer Paid Member Contributions to zero percent (0%); and

WHEREAS, a required step in the procedure to change the paying of Employer Paid Member Contributions is the adoption by the City Council of a Resolution to reduce paying seven percent (7%) Employer Paid Member Contributions (EPMC); and

WHEREAS, the following is a statement of the proposed change in reporting compensation to PERS:

**This change shall apply as follows:**

**The City of Escondido elects to pay zero percent (0%) of employee's compensation as Employer Paid Member Contributions. This shall apply to all eligible-covered part-time employees.**

**The effective date of this Resolution shall be August 7, 2011.**

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.

2. The City Council elects to pay zero percent (0%) of employee's compensation as Employer Paid Member Contributions for all eligible-covered part-time employees.

RESOLUTION NO. 2011-114

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
FOR AMENDING THE PARS ALTERNATE  
RETIREMENT SYSTEM PLAN DOCUMENT  
FOR PART-TIME EMPLOYEES

WHEREAS, the Escondido City Council ("City") maintains the City of Escondido PARS Alternate Retirement System ("Plan"), an alternate to Social Security plan, for all eligible employees who are not accruing a benefit under Social Security or another retirement system provided and maintained by the City; and.

WHEREAS, the City reserves the right to amend the Plan from time to time in accordance with Section 8.3 of the Plan; and

WHEREAS, the Plan currently provides for a 3.75% Employer Contribution and a 3.75% Employee Contribution for all Employees eligible to participate in the Plan; and

WHEREAS, the Employee Contributions under the current Plan are considered after-tax contributions; and

WHEREAS, the City deems it to be in the best interest of the City and the Plan to amend the current contribution split effective August 7, 2011, to a 0.0% Employer Contribution and a 7.5% Employee Contribution for all Employees eligible to participate in the Plan; and

WHEREAS, the City deems it to be in the best interest of the City and the Plan to amend the tax status of Employee Contributions from after-tax contributions to pre-tax contributions effective as of August 7, 2011.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.
2. That effective August 7, 2011, the Plan is hereby amended as follows:
  - A. Article III, Sections 3.1 and 3.2 of the Plan are hereby amended and restated as follows:

“3.1 Amount of Employer Contributions

There is hereby created and established and shall be maintained by the Plan Administrator the Employer Contribution Account.

(a) Prior to August 7, 2011, for each day that an Employee remains a Participant under this Plan, the Employer shall make a contribution of three and seventy-five hundredths percent (3.75%) of Compensation.

(b) Effective August 7, 2011 and thereafter, for each day that an Employee remains a Participant under this Plan, the Employer shall make a contribution of zero percent (0.0%) of Compensation.

Such contribution shall be made no later than the close of the Plan Year.

This amount shall be credited to the Employer Contribution Account.

Employer Contributions will be allocated to each Participant in the ratio that such Participant's compensation bears to the compensation of all Participants.

### 3.2 Amount of Employee Contributions

There is hereby created and established and shall be maintained by the Plan Administrator the Employee Contribution Account.

(a) Prior to August 7, 2011, for each day that an Employee remains a Participant under this Plan, the Employee shall make a contribution of three and seventy-five hundredths percent (3.75%) of Compensation. Such contributions shall be considered after-tax contributions and shall be credited to the Employee Contribution Account.

(b) Effective August 7, 2011 and thereafter, for each day that an Employee remains a Participant under this Plan, the Employee shall make a contribution of seven and one half percent (7.5%) of Compensation. Such contribution shall be credited to the Employee Contribution Account. In accordance with Section 414(h) of the Code and Sections 1.22 and 1.25 of the Plan, the contributions required under this Section 3.2 shall be Pick Up Contributions.”

B. The City Council, pursuant to Internal Revenue Code Section 414(h), authorizes the City to “pick up” Employee contributions to the Plan on behalf of Plan participants. Such employer pick-up contributions shall be designated as Employee contributions but shall be paid by the City to the Plan in lieu of Employee contributions. Such contributions shall not have any cash or deferred election right.

RESOLUTION NO. 2011-115

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
FOR PAYING AND REPORTING THE VALUE  
OF EMPLOYER PAID MEMBER  
CONTRIBUTIONS (GOVERNMENT CODE  
SECTION 20636(c)(4)) FOR ELECTED  
OFFICIALS

WHEREAS, the Escondido City Council has the authority to implement Government Code Section 20636(c)(4) pursuant to Section 20691; and

WHEREAS, the City previously had a written labor policy or agreement which specifically provided for the inclusion of normal member contributions paid by the employer on behalf of the members as special compensation;

WHEREAS, effective June 25, 2000, the City Council approved Resolution No. 2000-145 to elect to pay seven percent (7%) of employees' compensation Earnable as Employer Paid Member Contributions and report the same Percent (value) of compensation earnable as special compensation for Elected officials;

WHEREAS, a required step in the procedure to implement the paying and reporting of the value of Employer Paid Member Contributions is the adoption by the City Council of a Resolution to continue paying and reporting the value of said seven percent (7%) Employer Paid Member Contributions (EPMC);

WHEREAS, the following is a statement of the reporting compensation to PERS as it relates to elected officials:

**This change shall apply as follows:**

**The City of Escondido shall continue to pay seven percent (7%) of employees' compensation earnable as Employer paid Member Contributions and report the same percent (value) of compensation earnable as special compensation. This shall apply to all elected officials.**

**The effective date of this Resolution shall be August 7, 2011.**

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.
2. The City Council elects to pay seven percent (7%) of employee's compensation Earnable as Employer Paid Member Contributions and report the same Percent (value) of compensation earnable as special compensation for all employees of the elected officials.



# CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 6**  
**Date: August 10, 2011**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Edward N. Domingue, Director of Engineering Services  
Gary J. McCarthy, Deputy City Attorney

**SUBJECT:** Timed Parking Restrictions

**RECOMMENDATION:**

Rescind Resolution 2011-46 and adopt Resolution 2011-111 to restrict parking seven days a week at the locations previously approved at the July 13, 2011, City Council hearing.

**FISCAL ANALYSIS:**

Funds are available in the CIP Streets Annual Maintenance budget for the \$12,000 estimated sign installation expenses.

**PREVIOUS ACTION:**

On March 17, 2011, the Transportation and Community Safety Commission (TCSC) recommended approval to implement two-hour and three-hour parking time zones at specific locations. On July 13, 2011, the City Council discussed and approved parking restrictions at fourteen locations throughout the city. Although the council addressed specific locations, durations and days of the week for the parking restrictions, Resolution 2011-46 did not.

**BACKGROUND:**

Escondido Municipal Code section 28-143 authorizes the City Traffic Engineer, with the approval of the City Council, to install signs and markings where necessary to restrict parking for a certain period of time. City officials regularly have received complaints of parking spaces being occupied for long periods by vehicles with "for sale" signs on them.

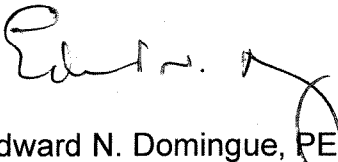
The Escondido Police Department Traffic Bureau identified fifteen areas most commonly used for long term parking of vehicles with "For Sale" signs. The City Traffic Engineer evaluated each area and found it appropriate to restrict parking in fourteen areas. Maps of the specific locations are attached to his report as Exhibits 1 through 13 and Exhibit 15. Area 14 has been removed from this

resolution as the City Traffic Engineer will resolve the parking issues at W. Valley Parkway and Claudan Road by modifying an existing bicycle lane.


On March 17, 2011, the TCSC recommended approval to implement two-hour and three-hour parking time zones at various locations citywide. During discussion at the TCSC, an elementary school district representative requested the curb adjacent to Rose Elementary school be designated for three-hour restricted parking to allow parking during frequent school events that regularly exceed two hours in duration. The resolution will restrict the remaining areas to a two hour limit. All restrictions will be effective twenty-four hours per day and seven days a week.

On July 13, 2011, the Council heard public comments and approved the time limits included in this resolution. But Resolution 2011-46 did not include the specific details addressed by the Council during the public deliberation. For clarity, Resolution 2011-111 will rescind the previous resolution and document the decisions made by the Council on July 13th. The proposed parking restrictions are necessary to ensure equal access to public parking spaces and will have a positive impact on those businesses/residences adjacent to the timed parking zones. The limited time parking will take effect as soon as the signs are posted.

Respectfully submitted,

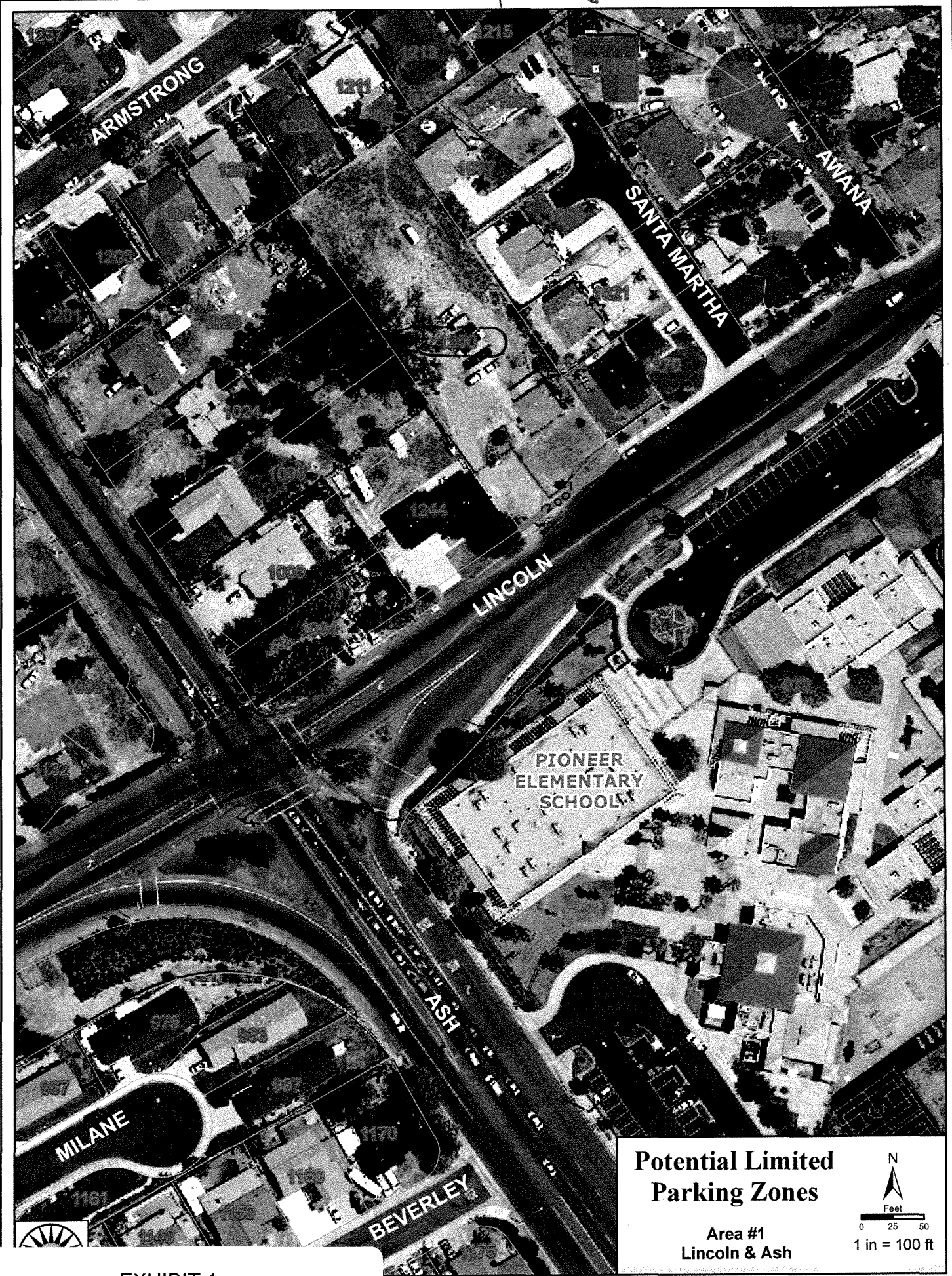


Edward N. Domingue, PE  
Director of Engineering Services



Gary J. McCarthy  
Deputy City Attorney

#1 → 200' fronting 1250 Block (NORTH SIDE)



**Potential Limited  
Parking Zones**

Area #1  
Lincoln & Ash

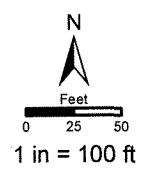


EXHIBIT 1

#2 → 550' fronting 2401 Block (SOUTH SIDE)



EXHIBIT 2

#3. Park E. of Broadway < 410' SOUTH CURB. 100' NORTH CURB.

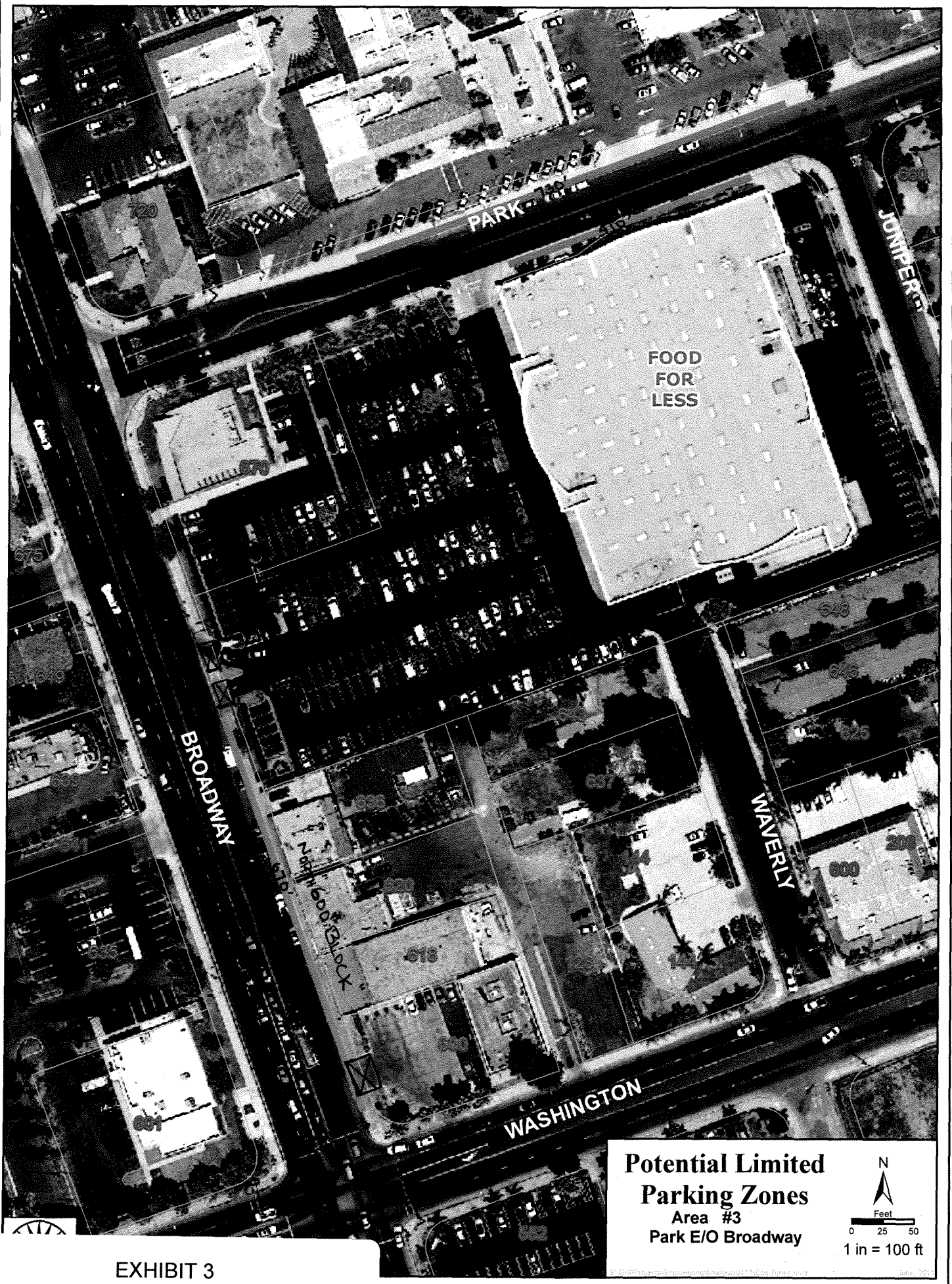
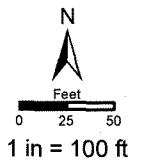


EXHIBIT 3

**Potential Limited  
Parking Zones**  
Area #3  
Park E/O Broadway



☒ driveway.



**Potential Limited  
Parking Zones**

**Areas #4  
Las Villas & El Norte**

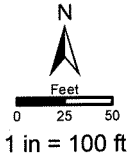


EXHIBIT 4

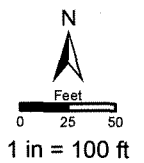
1330' 1600 BLOCK  
#5. LINCOLN / E. OF ROSE SOUTH CURB.



EXHIBIT 5

**Potential Limited  
Parking Zones**

**Areas #5  
Lincoln E/O Rose**



#6 100 BLOCK LINCOLN E. OF BROADWAY  $\left\{ \begin{array}{l} \text{N.S. 200'} \\ \text{S.S. 540'} \end{array} \right.$

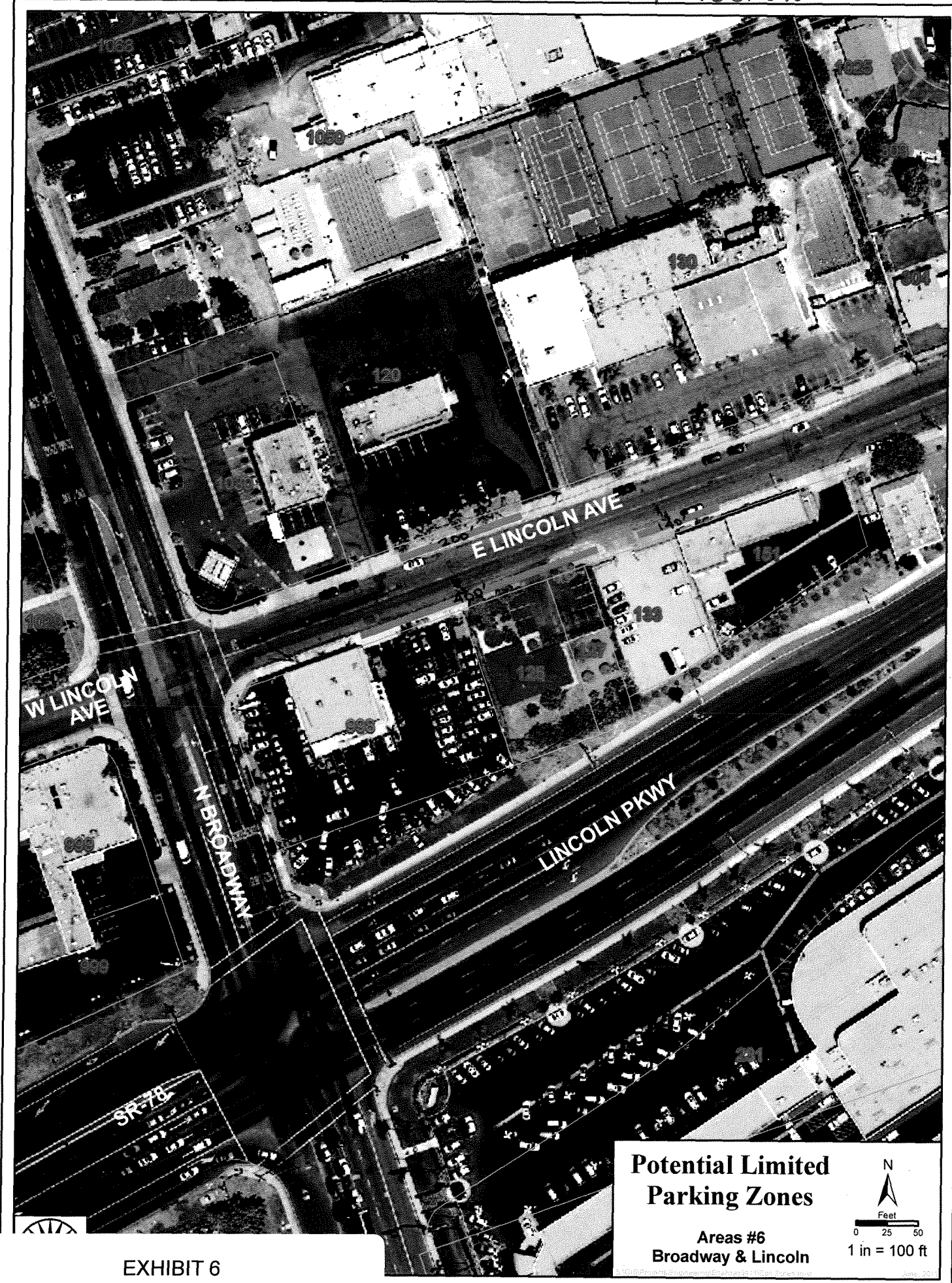
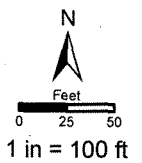


EXHIBIT 6

**Potential Limited  
Parking Zones**

Areas #6  
Broadway & Lincoln





#7 - 170' 400 BLOCK W. 9TH AVE. EAST OF CCP.



**Potential Limited  
Parking Zones**

**Areas #7  
400 W. 9th**

N  
Feet  
0 25 50  
1 in = 100 ft

**EXHIBIT 7**

# 8. 600' SOUTH CURB. 2100' E. VALLEY PKWY.



**Potential Limited  
Parking Zones**

**Areas #8  
2100 E. Valley**

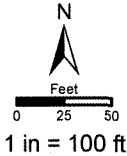


EXHIBIT 8

#9. 670' N. 600 BLOCK ON BROADWAY

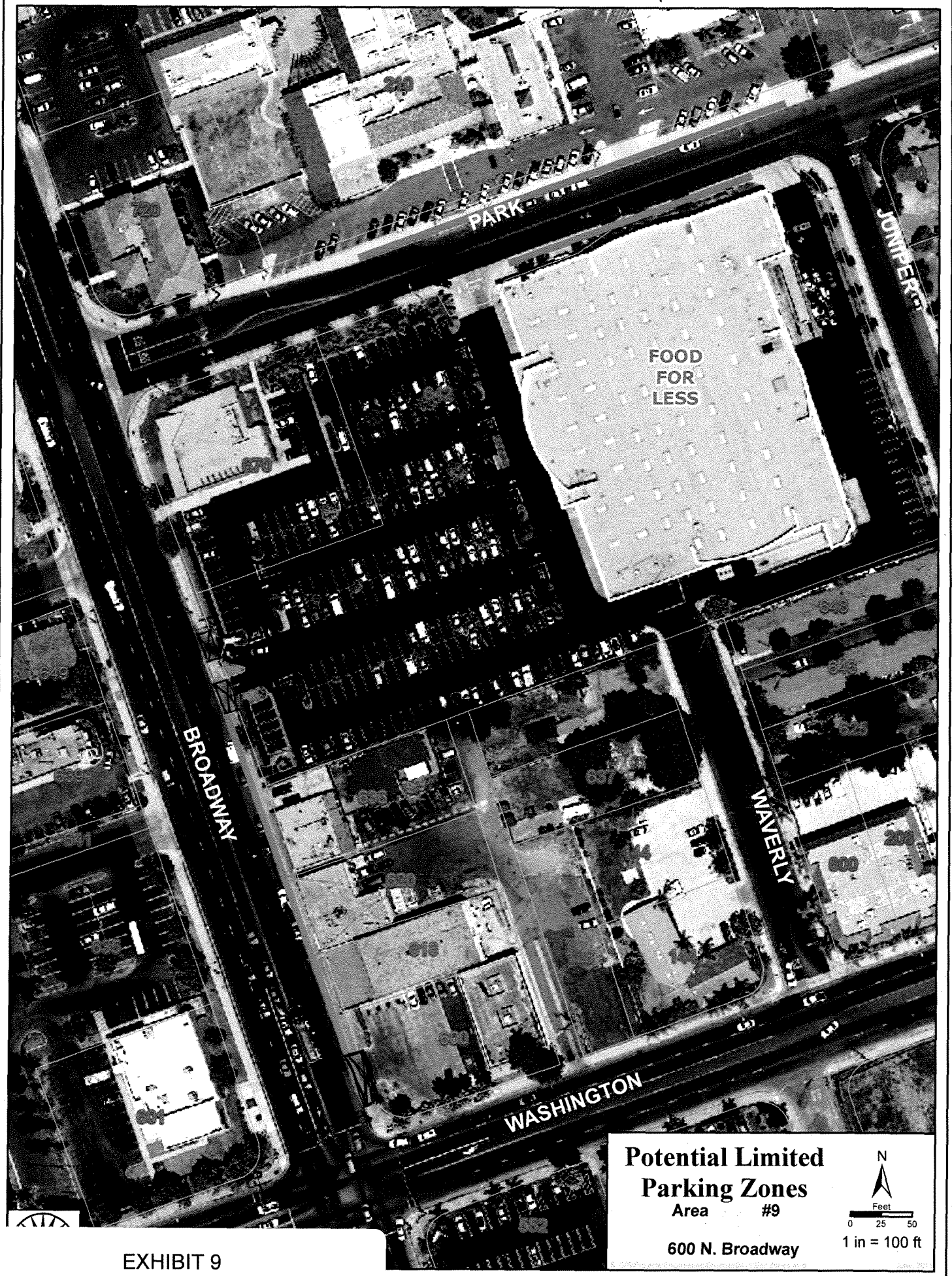


EXHIBIT 9

#10. 2200 S. ESCONDIDO BLVD.  
2200 EAST COVE

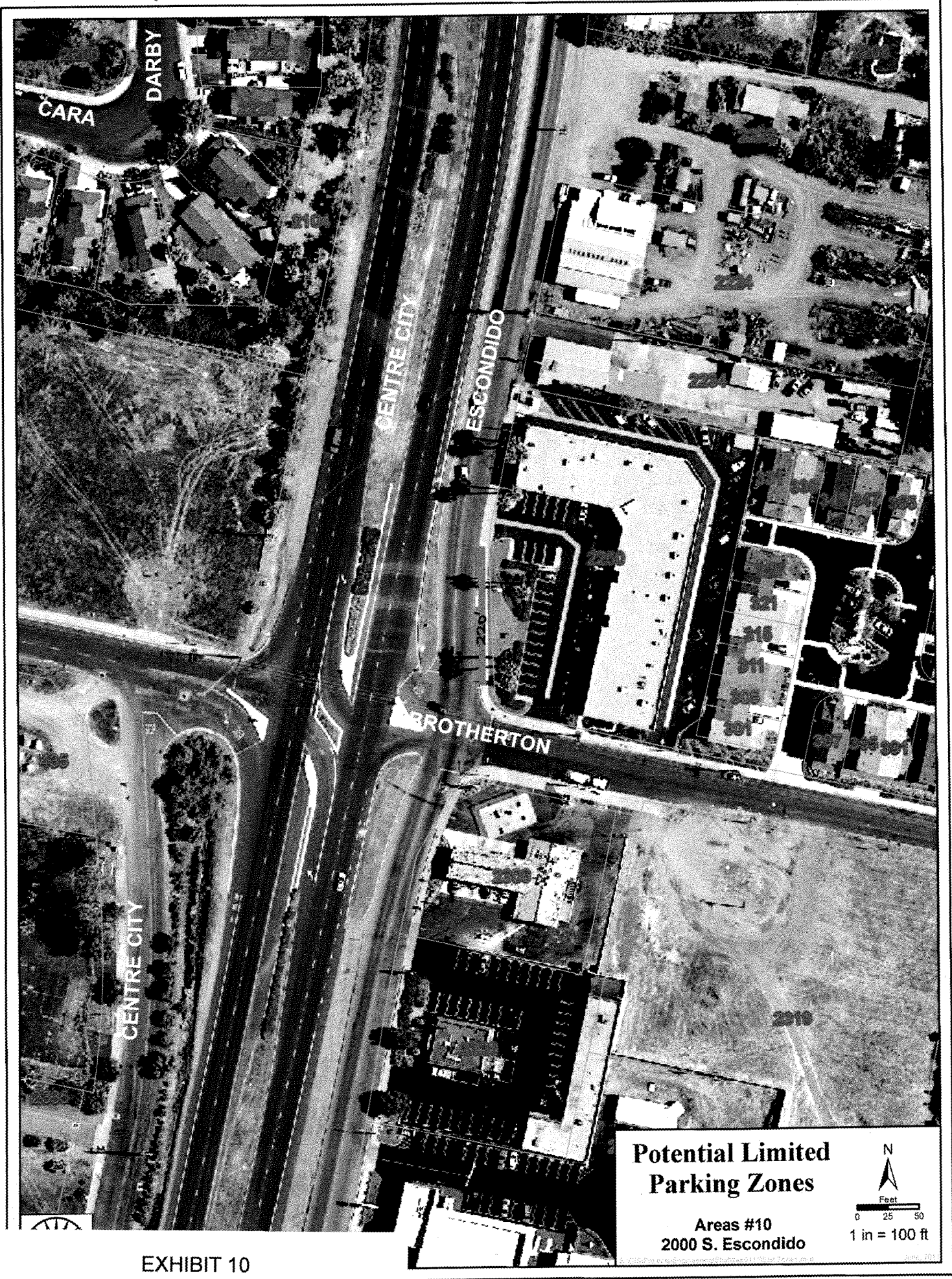


EXHIBIT 10

# 11. 700 & 800 BIK. N. Fig Both Curb Lined.



**Potential Limited  
Parking Zones**  
Areas #11  
Mission: Juniper to Fig  
Fig: Mission to Lincoln

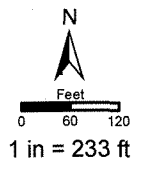


EXHIBIT 11

#12 - BEECHWOOD / WASHINGTON - 185' WEST CURB + 110' EAST CURB

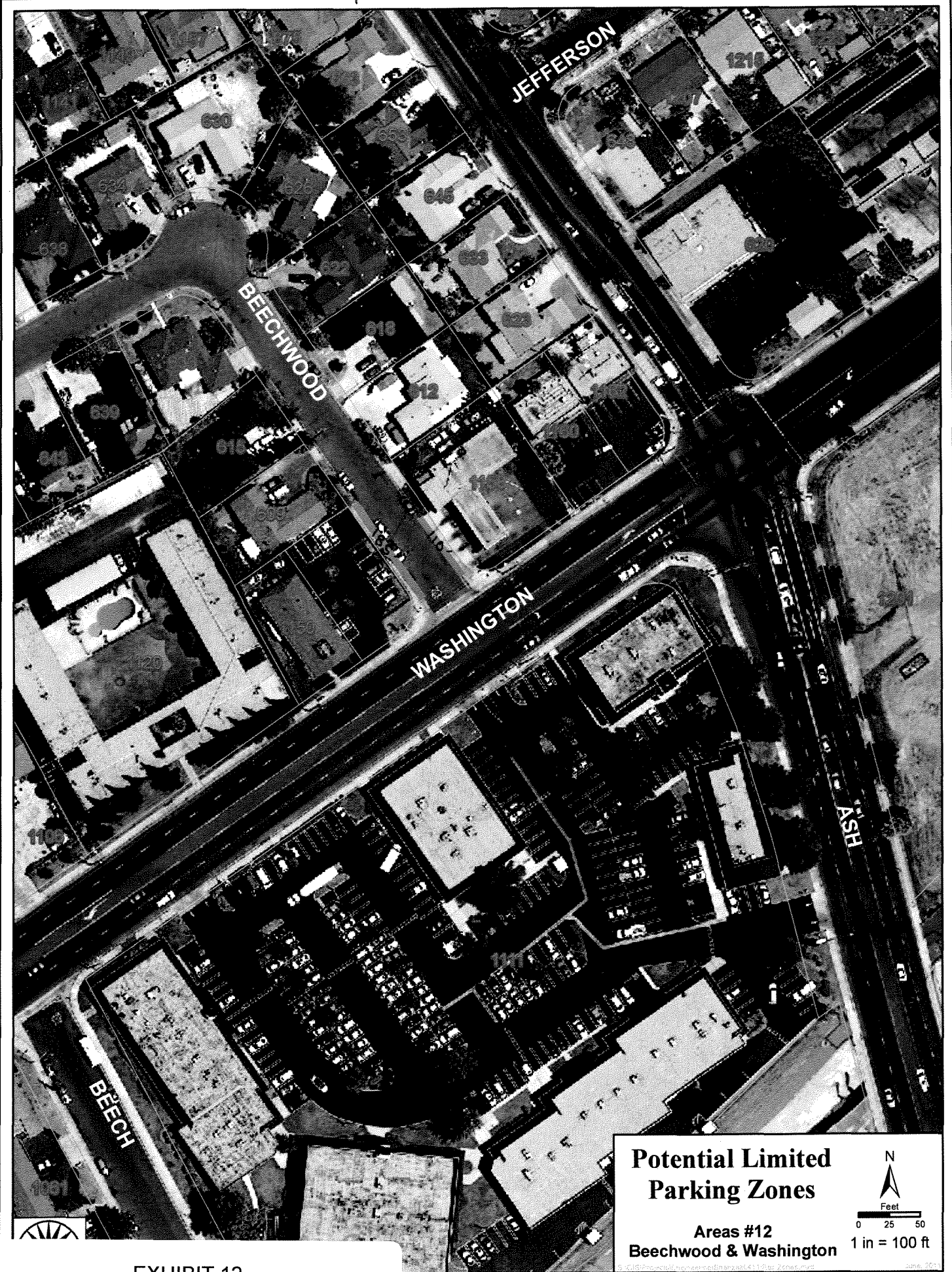
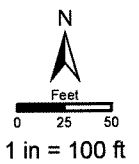


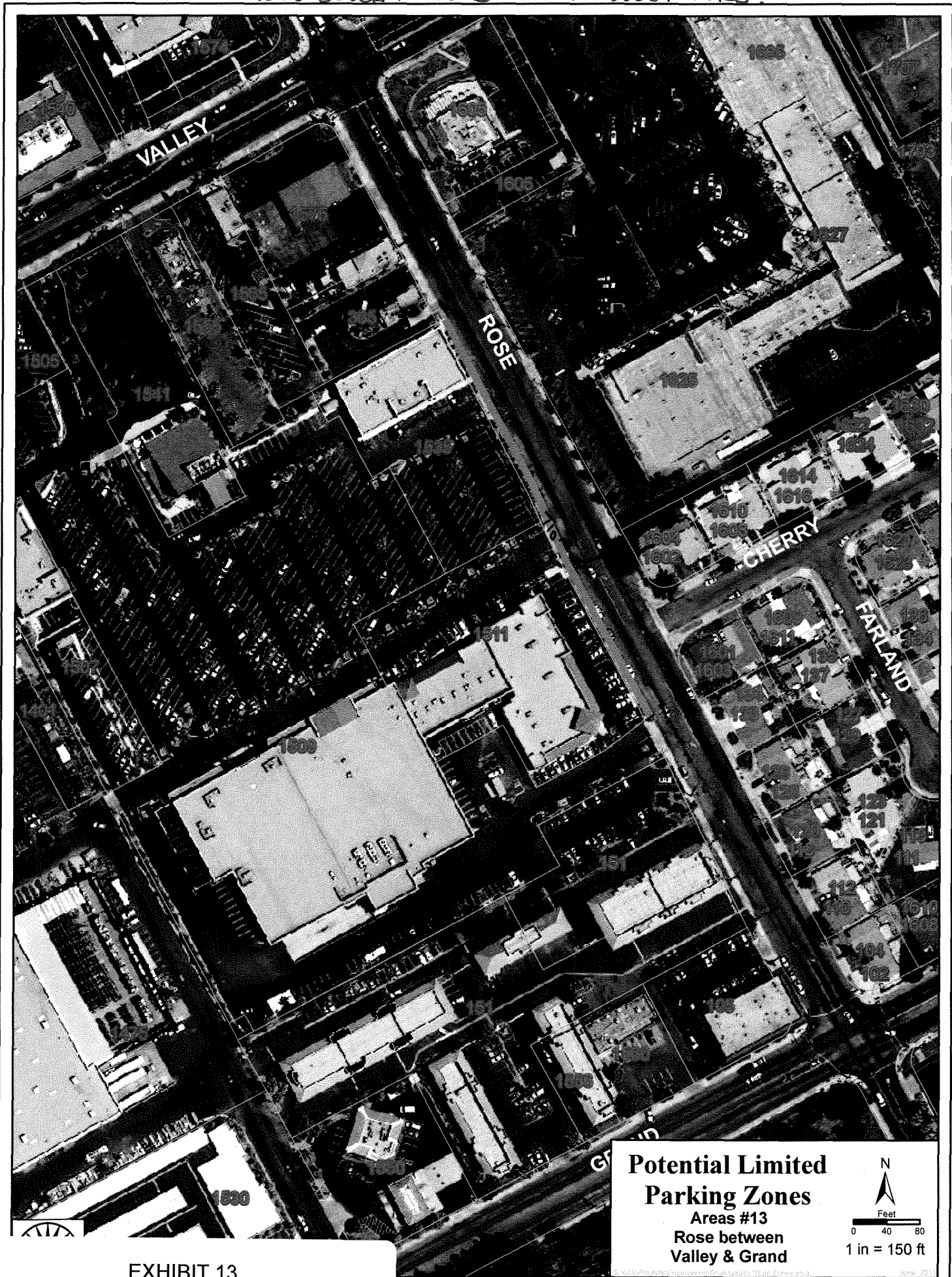
EXHIBIT 12

**Potential Limited  
Parking Zones**

**Areas #12  
Beechwood & Washington**



# 13 . 1500 BLOCK ROSE ST. - 710' WEST CURB.



**Potential Limited  
Parking Zones**  
Areas #13  
Rose between  
Valley & Grand

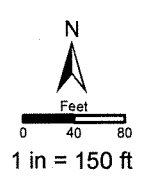


EXHIBIT 13

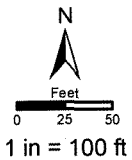
#15 800 BLOCK N. BROADWAY - 230' WEST CURB.



EXHIBIT 15

**Potential Limited  
Parking Zones**

**Areas #15  
Broadway S/O Crest**





RESOLUTION NO. 2011-111

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AMENDING THE TRAFFIC SCHEDULES FOR  
TIME ZONE PARKING PURSUANT TO  
ESCONDIDO MUNICIPAL CODE SECTION  
28-146

WHEREAS, Escondido Municipal Code Section 28-5 authorizes the City Council to establish and amend the following traffic schedule for time parking zones; and

WHEREAS, Escondido Municipal Code Section 28-146 authorizes the City Traffic Engineer with the approval of the Council Council to install and maintain signs and markings upon any street where it is deemed necessary to restrict parking to a certain period of time; and

WHEREAS the Chief of Police of the Escondido Police Department identified fifteen locations throughout the city where private parties consumed all available parking for prolonged periods of time thus precluding short term parking by the general public; and

WHEREAS, the City Traffic Engineer studied each location and developed the timed parking restrictions for fourteen specific locations contained in Exhibit "A," and incorporated by this reference; and

WHEREAS, the City Traffic and Community Safety Commission reviewed the recommendations and voted to approve them; and

WHEREAS, on July 13, 2011, the City Council received several responses as a result of a community outreach effort, heard public comments, discussed options for

parking restrictions, and then passed Resolution 2011-46 authorizing parking restrictions at the fourteen recommended locations; and

WHEREAS, Resolution 2011-46 did not document the specific restrictions discussed by the City Council during the public hearing; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to adopt changes to the existing traffic schedules for time zone parking as presented in the attached Exhibit "A."

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council rescinds Resolution 2011-46.
3. That the City Council approves modifications to the Traffic Schedule for Timed Parking as provided in Exhibit "A" and authorizes the City Traffic Engineer to install signs and markings as appropriate to implement the parking restrictions.

### Time Parking Zones

Parking Restrictions shall be effective 24 hours per day and 7 days per week.

Exhibit No.	Street	Specific Location	Time Limit
1	E. Lincoln Ave.	Approximately 200 ft. on north curb in front of unimproved lot at 1250 E. Lincoln Ave.; cross street: Ash St.	2 hour zone
2	Jesmond Dene Rd.	Approximately 550 ft. fronting 2400 block on south curb; cross street: N. Broadway	2 hour zone
3	E. Park Ave.	Approximately 730 ft. on north curb at 200 block and 410 ft. on south curb fronting Food For Less; cross street: N. Broadway	2 hour zone
4	Las Villas Way	Approximately 300 ft. on west curb at 1300 block; cross street: El Norte Pkwy	2 hour zone
5	E. Lincoln Ave.	Approximately 1300 ft. on south curb adjacent to Rose Elementary School and the church at 1717 E Lincoln Ave.; cross street: Via Lomita	3 hour zone
6	E. Lincoln Ave.	Approximately 200 ft. on north curb and two segments of 400 ft. and 140 ft. on south curb at 100 block; cross street: N. Broadway	2 hour zone
7	9 <sup>th</sup> Ave.	Approximately 170 ft. on south curb at 400 block; cross street: Center City Pkwy	2 hour zone
8	E. Valley Pkwy.	Approximately 600 ft. in three segments (290, 190, and 120 ft.) on south curb of 2100 block; cross street: Quarry Glen	2 hour zone
9	N. Broadway	Approximately 670 ft. on east curb at 600 block; cross street: E. Washington Ave.	2 hour zone
10	S. Escondido Blvd.	Approximately 220 feet. on east curb in front of strip mall at 2250 S. Escondido Blvd.; cross street: Brotherton Rd.	2 hour zone
11	N. Fig St.	Approximately 620 ft. in three segments (255, 190, and 175 ft.) on both east and west curbs at 600 and 700 blocks; cross street: E. Mission Ave.	2 hour zone
12	Beechwood St.	Approximately 185 ft. on west curb at 1150 Beechwood St. and 110 on east curb at 1158 Beechwood St.; cross street: E. Washington	2 hour zone
13	Rose St.	Approximately 710 ft. on west curb of 1500 block; cross street: Cherry Place	2 hour zone
15	N. Broadway	Approximately 230 ft. on west curb in front of 855 N. Broadway; cross street: Crest St.	2 hour zone

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ file No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.:7**  
**Date: August 10, 2011**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Jim Maher, Chief of Police  
**SUBJECT:** FY 2011 U.S. Department of Justice Edward Byrne Memorial Justice Assistance Grant

**RECOMMENDATION:**

It is requested that Council approve a FY 2011 Edward Byrne Memorial Justice Assistance Grant (JAG) in the amount of \$56,047 from the U.S. Department of Justice, authorize the Chief of Police and Police Department staff to submit grant documents on behalf of the City and approve budget adjustments needed to set up and spend grant funds to support front-line law enforcement.

**FISCAL ANALYSIS:**

This action will have no impact on the General Fund Budget. Grant funds will be used to pay salary expenses for temporary part-time employees.

**CORRELATION TO THE CITY COUNCIL ACTION PLAN:**

Not Applicable

**PREVIOUS ACTION:**

City Council approved a 2010 Edward Byrne Memorial Justice Assistance Grant (JAG) in the amount of \$70,327 on May 26, 2010.

**BACKGROUND:**

The Escondido Police Department has been allocated a 2011 Edward Byrne Memorial Justice Assistance Grant (JAG) from the U.S. Department of Justice in the amount of \$56,047. JAG funds allow local governments to support a broad range of activities to prevent and control crime based on their own local needs and conditions.


Grant funds may be used for technical assistance, training, personnel, equipment, supplies, contractual support and criminal justice information systems, in one or more of the following purpose areas:

- Law Enforcement Programs
- Prosecution and Court Programs
- Prevention and Education Programs
- Corrections and Community Corrections Programs
- Drug Treatment Programs
- Planning, Evaluation and Technology Improvement Programs

Grant funds may not supplant items currently budgeted.

The Escondido Police Department proposes to use FY 2011 JAG funds in the amount of \$56,047 to fund salary and benefits for temporary part-time positions that, due to budget constraints, are not in the General Fund Budget for FY 2011-12. Positions proposed by the allocation include Narcotics Task Force Enforcement Officers and a PC 290 (Sex Offender Registration Act) Coordinator.

Respectfully submitted,



Jim Maher  
Chief of Police



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: July 26, 2011
Department: Police Department
Division: Administration
Project/Budget Manager: Susan Cervenka/Barbara MarLett 4734
Council Date (if applicable): August 10, 2011

For Finance Use Only
Log #
Fiscal Year
Budget Balances
General Fund Accts
Revenue
Interfund Transfers
Fund Balance

Table with 4 columns: Project/Account Description, Account Number, Amount of Increase, Amount of Decrease. Rows include Revenue (4128-450-New Project, \$56,047) and Police Grants (450-New Project, \$56,047).

Explanation of Request:

A budget adjustment is needed to spend grant funds to enhance front-line law enforcement.

APPROVALS

Department Head (Signature) Date: 7.28.11
Finance (Signature) Date: 8/2/11

City Manager Date
City Clerk Date

Distribution (after approval): Original: Finance



# CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

Agenda Item No.: 8  
Date: August 10, 2011

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Jim Maher, Chief of Police  
**SUBJECT:** FY 2012 State of California Office of Traffic Safety DUI Enforcement and Awareness Program Grant

RECOMMENDATION:

It is requested that Council authorize the Escondido Police Department to accept a FY 2012 State of California Office of Traffic Safety (OTS) DUI Enforcement and Awareness Program Grant in the amount of \$262,141, authorize the Chief of Police to submit grant documents on behalf of the City and establish budgets to spend grant funds.

FISCAL ANALYSIS:

The grant will provide \$262,141 to reimburse overtime and equipment expenses for DUI enforcement.

PREVIOUS ACTION:

City Council accepted a \$268,564 Education and Enforcement Grant from OTS on August 18, 2010.

BACKGROUND:

The Escondido Police Department has received a \$262,141 grant from the California Office of Traffic Safety to enhance traffic safety enforcement programs. Grant funds may be used from October 1, 2011 through September 30, 2012. Consistent with grant guidelines, the Police Department proposes to use grant funds to pay overtime expenses to conduct DUI and special enforcement operations. Funds will also be used to purchase educational materials and checkpoint supplies.

Your action is needed today to accept grant funds, approve proposed expenditures and corresponding budget adjustments, and authorize the Chief of Police to sign contract documents related to the grant. Grant programs will include DUI and driver license checkpoints, warrant sweeps, and special enforcement operations targeting repeat DUI offenders.

Respectfully submitted,

Jim Maher  
Chief of Police



CITY OF ESCONDIDO  
 BUDGET ADJUSTMENT REQUEST

Date of Request: July 25, 2011  
 Department: Police  
 Division: Administration  
 Project/Budget Manager: Susan Cervenka/Barbara MarLett      4402/4734  
   Name    Extension  
 Council Date (if applicable): August 10, 2011  
   (attach copy of staff report)

**For Finance Use Only**

Log # \_\_\_\_\_

Fiscal Year \_\_\_\_\_

\_\_\_\_\_ Budget Balances

\_\_\_\_\_ General Fund Accts

\_\_\_\_\_ Revenue

\_\_\_\_\_ Interfund Transfers


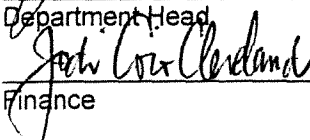
\_\_\_\_\_ Fund Balance

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
Revenue	4128-451-New Project Number	\$262,141	
Police Grants	451-New Project Number	\$262,141	

**Explanation of Request:**

A budget adjustment is needed to spend grant funds for overtime expenses related to DUI enforcement and education.

**APPROVALS**

  
 Department Head \_\_\_\_\_ Date 7.28.11  
  
 Finance \_\_\_\_\_ Date 8/2/11

City Manager \_\_\_\_\_ Date \_\_\_\_\_  
 City Clerk \_\_\_\_\_ Date \_\_\_\_\_

Distribution (after approval): Original: Finance



# CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 9**  
**Date: August 10, 2011**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Edward N. Domingue, Director of Engineering Services  
Samuel F.H. Cottrell, Associate Civil Engineer

**SUBJECT:** Bid Award for the Revised Ash Street-Channel Pedestrian Bicycle Path Undercrossing

**RECOMMENDATION:**

It is requested that Council determine the apparent low bid submitted by Excavating Engineers, Inc. of Bonsall in the amount of \$1,815,620 to be non-responsive; and determine the second apparent low bid submitted by Southland Paving, Inc., of Escondido in the amount of \$2,054,183 to be the lowest responsive and responsible bid; remove deductive bid item 41 for the retaining wall graphics "A" in the amount of \$11,200 from the contract; and adopt Resolution No. 2011-96 authorizing the Mayor and the City Clerk to execute a Public Improvement Agreement with Southland Paving, Inc. for the Revised Ash Street-Channel Pedestrian Bicycle Path Undercrossing for the amount of \$2,042,983 (without deductive bid item 41).

**FISCAL ANALYSIS:**

This project will be funded from Trans-Net Funds, Account Number 230-690339 and TDA Funds Account Number 231-651502.

**PREVIOUS ACTION:**

On April 28, 2010, City Council approved Resolution No. 2010-55, which awarded the City a grant of \$457,357; previously the City was awarded \$1,828,046 in SANDAG grant funds for the design and construction of the Ash Street Pedestrian Bicycle Path Undercrossing. In the Fiscal Year 2010/2011 Capital Improvement Program, the City budgeted \$250,000 of Trans-Net funds for the Ash Street Pedestrian Bicycle Path Undercrossing. The City Council on June 15, 2011, rejected all bids submitted for the project.

**BACKGROUND:**

This project is comprised of many different trades of general engineering work including but not limited to the following: construction of modified concrete box culvert; construction of

reinforced concrete structures; construction of concrete piles; construction of poured in place reinforced concrete retaining walls; asphalt concrete paving; proper treatment and/or disposal of contaminated soil; treating and disposing of ground water removed; installation of steel fences and gates; installation of steel hand rails; obtaining CALTRANS encroachment permit. The Engineer's estimate for the Project is \$1,602,050.

On July 28, 2011, the City of Escondido received eight (8) sealed bids in response to its advertised request for bids on this project. The bids were opened by the City Clerk with the following results:

1. Excavating Engineers, Inc.	\$1,815,620.00
2. Southland Paving, Inc.	\$2,054,183.00
3. Bowcon Company, Inc.	\$2,060,662.80
4. Palm Engineering Construction Company, Inc.	\$2,093,900.00
5. TC Construction, Co.	\$2,173,280.00
6. Dick Miller, Inc.	\$2,358,532.00
7. Weir Construction, Corp.	\$2,403,470.00
8. Ramona Paving & Construction Corp, Inc.	\$3,890,690.00

Following the bid opening, City staff did a careful review of the bid proposals submitted and found the apparent low bid proposal submitted by Excavating Engineers, Inc. of Bonsall, contained an error with their bidder's security by not filling out the dollar amount. It was also noted their contractor license did not have the Hazardous Substance Certificate; on the bid proposal they also failed to list for the subcontractor, California Environmental, the contractor's license or their Hazardous Substance certificate; and on the bid proposal they also did not list a license surveyor for Surveying.

Also during the review of the bids, a mathematical error was discovered in the bid proposal from Palm Engineering Construction Company; in the addition of the bid amounts, the total bid amount changed from \$2,053,900 to \$2,093,900.

On August 1, 2011, City staff notified Excavating Engineers regarding the intent to reject their bid proposal as being non-responsive.

As indicated in the Notice Inviting Sealed Bids, any failure to follow the instructions specified in the Instructions to Bidders may be cause for rejection of the bid.

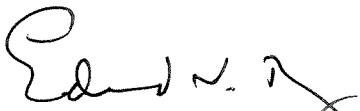
Palm Engineering was also notified and informed of the mathematical error in their bid.

The bid documents have deductive bid items number 41 for Graphics Alternate "A" and 42 for Graphics Alternate "B" to be constructed with the retaining walls on this project. Southland

Paving, Inc. has submitted a bid line item amount of \$11,200 for each of the deductive bid items 41 and 42. Staff recommends proceeding with bid item 42 for the retaining wall graphics and deduct bid item 41 from Southland Paving, Inc. contract, reducing the total amount from \$2,054,183 to \$2,042,983. The two graphic alternatives were reviewed and approved by the City's Appearance Committee.

In light of the public policy and the law concerning competitive bidding requirements, and based on the facts of this case, staff recommends that the bid proposal by Excavating Engineers of Bonsall be rejected as non-responsive and the contract be awarded to Southland Paving, Inc. of Escondido for the revised amount of \$2,042,983.

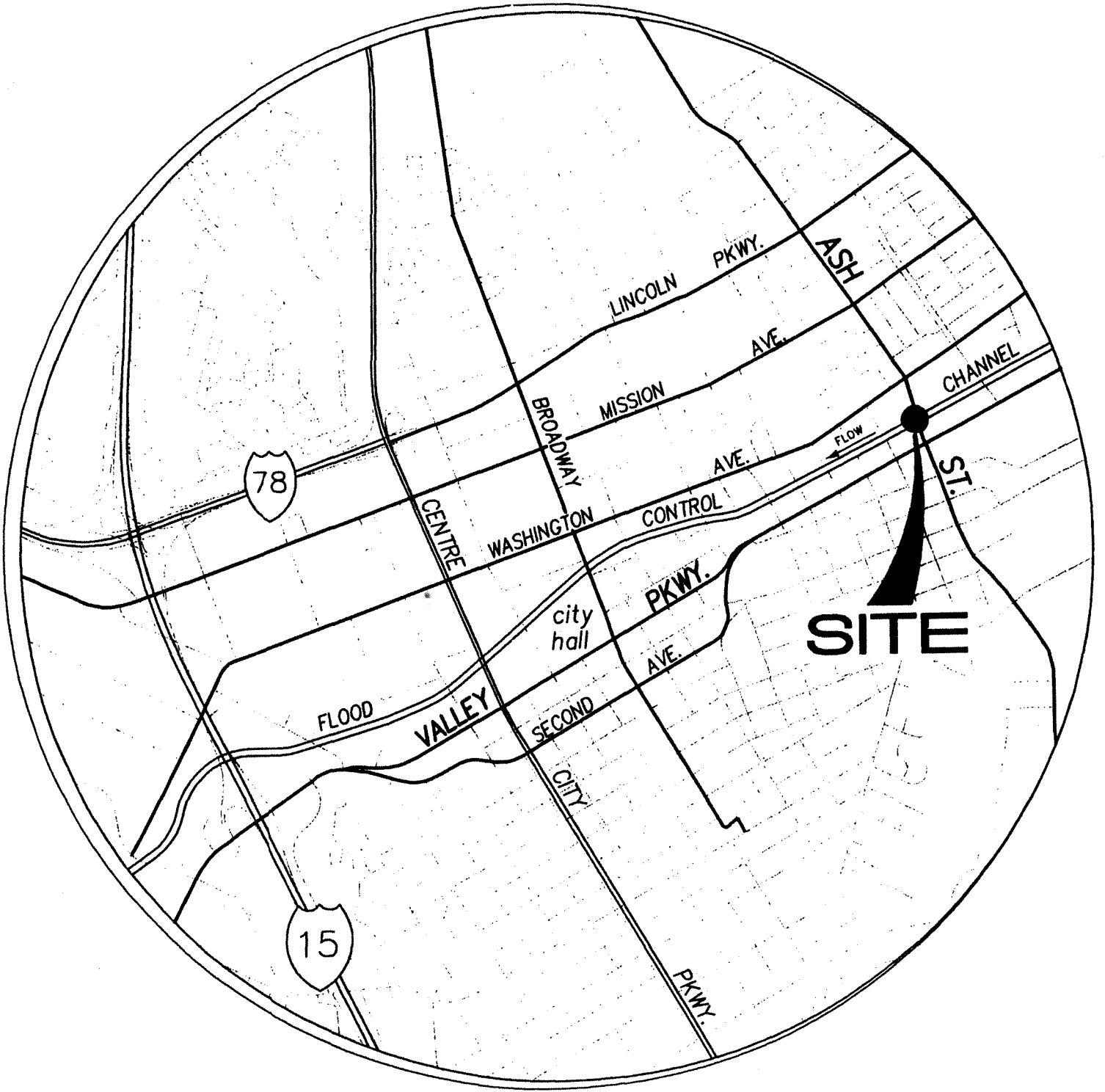
Respectfully submitted,



Edward N. Domingue, P.E.  
Director of Engineering Services



Samuel F. H. Cottrell, P.E.  
Associate Civil Engineering



# Vicinity Map

NTS



RESOLUTION NO. 2011-96

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE MAYOR AND CITY  
CLERK TO EXECUTE, ON BEHALF OF THE  
CITY, A PUBLIC IMPROVEMENT  
AGREEMENT FOR THE REVISED ASH  
STREET-CHANNEL PEDESTRIAN BICYCLE  
PATH UNDERCROSSING

WHEREAS, the Escondido City Council authorized an invitation for bids for the Revised Ash Street-Channel Pedestrian Bicycle Path Undercrossing (the "Project"); and

WHEREAS, eight sealed bids for the Project were opened and evaluated on July 28, 2011; and

WHEREAS, the apparent low bid, submitted by Excavating Engineers, Inc. was determined to be non-responsive and Southland Paving, Inc. was determined to be the lowest responsive and responsible bidder; and

WHEREAS, staff recommends awarding the bid to Southland Paving, Inc. in the amount of \$2,042,983 for the Project; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to award this contract to Southland Paving, Inc.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the Mayor and City Clerk are authorized to execute, on behalf of the City, a Public Improvement Agreement with Southland Paving, Inc. in substantially similar form to that which is attached and incorporated to this Resolution as Exhibit "A", and subject to final approval as to form by the City Attorney.

**PUBLIC IMPROVEMENT AGREEMENT**

This "Agreement", dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, in the County of SAN DIEGO, State of California, is by and between **THE CITY OF ESCONDIDO** (hereinafter referred to as "CITY"), and **Southland Paving, Inc.** (hereinafter referred to as "CONTRACTOR").

The CITY and the CONTRACTOR, for the consideration stated herein, agree as follows:

1. The complete contract includes all of the Project Documents described in the General Conditions, which are incorporated by reference. The Project Documents are complementary, and what is called for by any one shall be as binding as if called for by all.
2. CONTRACTOR shall perform, within the time set forth in Paragraph 4 of this Agreement, everything required and reasonably inferred to be performed, and shall provide and furnish all the labor, materials, necessary tools, expendable equipment, and all utility and transportation services as described in the complete contract and required for construction of

**REVISED ASH STREET-CHANNEL PEDESTRIAN BIKE PATH UNDERCROSSING**

All of said work to be performed and materials to be furnished shall be completed in a good workmanlike manner, free from defects, in strict accordance with the plans, drawings, specifications and all provisions of the complete contract as hereinabove defined. The CONTRACTOR shall be liable to the CITY for any damages and resulting costs, including consultants' costs, arising as a result of a failure to fully comply with this obligation, and the CONTRACTOR shall not be excused with respect to any failure to so comply by any act or omission of the Architect, Engineer, Inspector, or representative of any of them, unless such act or omission actually prevents the CONTRACTOR from fully complying with the requirements of the Project Documents, and unless the CONTRACTOR protests at the time of such alleged prevention that the act or omission is preventing the CONTRACTOR from fully complying with the Project documents. Such protest shall not be effective unless reduced to writing and filed with the CITY within **three (3) working days** of the date of occurrence of the act or omission preventing the CONTRACTOR from fully complying with the Project documents.

3. CITY shall pay to the CONTRACTOR, as full consideration for the faithful performance of the contract, subject to any additions or deductions as provided in the Project documents, the sum of **Two Million Forty Two Thousand Nine Hundred Eighty Three Dollars and no Cents (\$2,042,983.00)**.

The work shall be commenced on or before the twenty-first (21st) day after receiving the CITY'S Notice to Proceed and shall be completed within **One Hundred (100) working days** from the date specified in the Notice to Proceed.

4. Time is of the essence. If the work is not completed in accordance with Paragraph 4 above, it is understood that the CITY will suffer damage. It being impractical and infeasible to determine the amount of actual damage(s), in accordance with Government Code Section 53069.85, it is agreed that CONTRACTOR shall pay to CITY as fixed and liquidated damages, and not as a penalty, the sum(s) indicated in the LIQUIDATED DAMAGES SCHEDULE below for each calendar day of



- (b) Any injury to or death of any person(s) or damage, loss or theft of any property caused by any act, neglect, default or omission of the CONTRACTOR, or any person, firm, or corporation employed by the CONTRACTOR, either directly or by independent contract, arising out of, or in any way connected with the work covered by this Agreement, whether said injury or damage occurs on or off City property.
- (c) Any and all liabilities, claims, actions, causes of action, proceedings, suits, administrative proceedings, damages, fines, penalties, judgments, orders, liens, levies, costs and expenses of whatever nature, including reasonable attorneys' fees and disbursements, arising out of any violation, or claim of violation of the San Diego Municipal Storm Water Permit (Order No. 2001-01), and updates or renewals, of the California Regional Water Quality Control Board Region 9, San Diego, which the CITY might suffer, incur, or become subject by reason of or occurring as a result of or allegedly caused by the construction, reconstruction, maintenance, and/or repair of the work under this Agreement.

The CONTRACTOR, at CONTRACTOR's own expense, cost, and risk shall defend any and all actions, suit, or other proceedings that may be brought or instituted against the CITY, its governing board, officers, agents or employees, on any such claim, demand or liability, and shall pay or satisfy any judgment that may be rendered against the CITY, its governing board, officers, agents or employees in any action, suit or other proceedings as a result thereof.

- 7. CONTRACTOR shall take out, prior to commencing the work, and maintain, during the life of this contract, and shall require all subcontractors, if any, of every tier, to take out and maintain:
  - (a) General Liability and Property Damage Insurance as defined in the General Conditions in the amount with a combined single limit of not less than **\$3,000,000 per occurrence**.
  - (b) Course of Construction / Builder's Risk Insurance. See Article 5.2 of General Conditions.
  - (c) Insurance Covering Special Hazards: The following special hazards shall be covered by rider or riders to the above-mentioned public liability insurance or property damage insurance policy or policies of insurance, or by special policies of insurance in amounts as follows:
    - (1) Automotive and truck where operated in amounts as above
    - (2) Material hoist where used in amounts as above
  - (d) Workers' Compensation Insurance.
  - (e) Each insurance policy required above must be acceptable to the City Attorney, as follows:
    - (1) Each policy must name the CITY specifically as an additional insured under the policy on a separate endorsement page, with the exception of the workers' compensation and the Errors and Omissions policies.
    - (2) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A-rated, class V carrier or better, admitted



in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.

- (3) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.
- (f) In executing this Agreement, CONTRACTOR agrees to have completed insurance documents on file with the CITY within 14 days after the date of execution. Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY's option.
8. This Agreement is subject to California Public Contract Code Section 22300, which permits the substitution of securities for any monies withheld by the City under this Agreement, and permits the CONTRACTOR to have all payments of earned retentions by the City paid to an escrow agent at the expense of the CONTRACTOR.
9. Each and every provision of law and clause required by law to be inserted in this Agreement or its attachments shall be deemed to be inserted herein and the Agreement shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not currently inserted, then upon application of either party the Agreement shall forthwith be physically amended to make such insertion or correction, without further changes to the remainder of the Agreement.
10. The complete contract as set forth in Paragraph 1 of this Agreement constitutes the entire Agreement of the parties. No other agreements, oral or written, pertaining to the work to be performed, exists between the parties. This Agreement can be modified only by an amendment in writing, signed by both parties and pursuant to action of the Escondido City Council.
11. CONTRACTOR shall comply with those provisions of the Labor Code requiring payment of prevailing wages, keeping of certified payroll records, overtime pay, employment of apprentices, and workers' compensation coverage, as further set forth in the General Conditions, and shall file the required workers' compensation certificate before commencing work.
12. The terms "Project Documents" and/or "Contract Documents" where used, shall refer to those documents included in the definition set forth in the General Conditions made a part hereof.

IN WITNESS WHEREOF, this Agreement has been executed on behalf of CITY by its officers thereunto authorized and by CONTRACTOR, the date and year first above written.

CITY OF ESCONDIDO  
a municipal corporation  
201 North Broadway  
Escondido, CA 92025

By: \_\_\_\_\_  
Marsha Whalen, City Clerk

By: \_\_\_\_\_  
Sam Abed, Mayor

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY  
JEFFREY R. EPP, City Attorney

By: \_\_\_\_\_

**CONTRACTOR**

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature\*

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

(Second signature required only for corporation)

By: \_\_\_\_\_  
Signature\*\*

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

(CORPORATE SEAL OF CONTRACTOR, if corporation)

\_\_\_\_\_  
Contractor's License No.

\_\_\_\_\_  
Tax ID/Social Security No.

\*If CONTRACTOR is a corporation, the first signature must be by one of the following officers of the corporation: Chairman of the Board, President, or any Vice President.\*\*If CONTRACTOR is a corporation, the second signature must be by a different person from the first signature and must be by one of the following officers of the corporation: Secretary, any Assistant Secretary, the Chief Financial Officer, or any Assistant Treasurer.

# CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ file No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 10**  
**Date: August 10, 2011**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Edward N. Domingue, Director of Engineering Services  
Bud Oliveira, Special Projects Manager

**SUBJECT:** Bid Award for the Fiber Optic Backbone Project

**RECOMMENDATION:**

It is requested that Council adopt Resolution No. 2011-106 authorizing the Mayor and the City Clerk to execute a Public Improvement Agreement with John Griffin, Inc. of Corona, CA. for the Fiber Optic Backbone Project for the amount of \$102,276.

**FISCAL ANALYSIS:**

This project will be funded from two sources. The Tenant Improvement at Harmony Grove Capital Account #5203-229-102-101102 will fund \$69,825 of the project's cost. This work is associated with the installation of the conduit, cable and street cut and repairs between the Escondido Flood Control Channel and the EMOC. The remaining \$32,451 of the contract cost will be funded from the Waste Water Utility Capital Fund # 557-801706. This work includes installing approximately 15,000 linear feet of fiber optic cable in existing conduit runs between Fire Station#1 and the HARRF.

**PREVIOUS ACTION:**

None

**BACKGROUND:**

The project will complete the fiber optic backbone connection between Escondido City Hall, the Hale Avenue Resource Recovery Facility (HARRF) and the Escondido Maintenance and Operations Center to be relocated at 2120 Harmony Grove Road. The project consists of various activities, including the installation of approximately fifteen thousand (15,000) linear feet of fiber optic cable in existing conduit located generally on the north side of the Escondido Flood Control Channel between Fire Station #1 and the HARRF, installing approximately twelve hundred (1,200) linear feet of fiber optic cable in Harmony Grove Road between the Escondido Flood Control Channel and the EMOC,

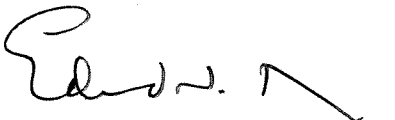
completing all street repairs, providing terminal connections, signal testing and providing a reliable, functioning fiber optic system. The Engineer's Estimate for this project was \$150,000 to \$175,000.

On July 28, 2011, the City of Escondido received six (6) sealed bids in response to its advertised request for bids on this project. The bids were opened by the City Clerk with the following results:

1. John Griffin Construction, Inc.	\$102,276.00
2. HMS Construction, Inc.	\$115,615.00
3. Southwest Traffic Signal Service	\$128,412.00
4. Hot Line Construction	\$147,109.00
5. Team Fishel	\$149,560.00
6. Saturn Electric	\$200,030.00

Following the bid opening City staff completed a careful review of the bid proposals and determined that John Griffin Construction, Inc. of Corona, Ca. was the lowest responsive, responsible bidder. Based on the bids received, a thorough review of the bids, staff recommends the contract be awarded to John Griffin Construction, Inc. of Corona, CA in the amount of \$102,276.00.

Respectfully submitted,



Edward N. Domingue, P.E.  
Director of Engineering Services



Bud Oliveira  
Special Projects Manager

RESOLUTION NO. 2011-106

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING THE MAYOR AND CITY CLERK  
TO EXECUTE, ON BEHALF OF THE CITY, A  
PUBLIC IMPROVEMENT AGREEMENT FOR  
THE FIRE STATION NO. 1 – HARRF – 2120  
HARMONY GROVE FIBER PROJECT

WHEREAS, the Escondido City Council authorized an invitation for bids for the  
Fiber Optic Backbone Project; and

WHEREAS, six bids were opened and evaluated on July 28, 2011; and

WHEREAS, the apparent low bid, submitted by John Griffin Construction, Inc.  
was determined to be the lowest responsive and responsible bidder; and

WHEREAS, staff recommends awarding the bid to John Griffin Construction, Inc.  
in the amount of \$102,276; and

WHEREAS, this City Council desires at this time and deems it to be in the best  
public interest to award this contract to John Griffin Construction, Inc.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of  
Escondido, California, as follows:

1. That the above recitations are true.
2. That the Mayor and City Clerk are authorized to execute, on behalf of the  
City, a Public Improvement Agreement with John Griffin Construction, Inc. in  
substantially similar form to that which is attached and incorporated to this Resolution  
as Exhibit "A" and subject to final approval as to form by the City Attorney.



CITY OF ESCONDIDO  
PUBLIC SERVICES AGREEMENT

This Agreement is made this \_\_\_ day of August, 2011.

Between: CITY OF ESCONDIDO  
a Municipal Corporation  
201 N. Broadway  
Escondido, California 92025  
Attn: Bud Oliveira  
760-839-4085  
("CITY")

And: John Griffin Construction, Inc.  
244 Jason Court  
Corona, CA. 92879  
Attn: John Griffin  
909-278-2377  
("CONTRACTOR")

WHEREAS, the CITY and CONTRACTOR desire to enter into this Agreement for the performance of services;

NOW, THEREFORE, it is mutually agreed as follows:

1. Description of Services. CONTRACTOR will furnish all of the services described in "Attachment A," which is attached and incorporated by this reference. CONTRACTOR agrees to diligently perform such services to their completion, with professional quality and technical accuracy.
2. Compensation. The CITY will pay and CONTRACTOR will accept in full payment for the above work, the sum of \$102,276.00. Any breach of this Agreement will relieve CITY from the obligation to pay CONTRACTOR, if CONTRACTOR has not corrected the breach after CITY provides notice and a reasonable time to correct it. If this Agreement is amended at any time, additional compensation of CONTRACTOR contained in subsequent amendment(s) shall not exceed a cumulative total of ten percent (10%) of the maximum payment provided for in this Section 2.
3. Term and Time of Performance. CONTRACTOR must start working within one (1) week from City's notice to begin. CONTRACTOR must diligently perform and complete the work by MM/DD/YY. Extension of terms or time of performance may be made only upon the City's written consent.
4. Scope of Compensation. CONTRACTOR will be responsible for performance of the tasks specified in the Description of Services in "Attachment A." No compensation will be provided for any other tasks without specific prior written consent from the CITY.

5. Performance. CONTRACTOR must faithfully perform in a proficient manner, to the satisfaction of the CITY, all the work or services described in the Description of Services, above.

6. City Property. All original documents, drawings, electronic media, and other material prepared by CONTRACTOR under this Agreement immediately becomes the exclusive property of the CITY, and may not be used by CONTRACTOR for any other purpose without prior written consent of the CITY.

7. Insurance Requirements.

a. The CONTRACTOR shall secure and maintain at its own cost, for all operations, the following insurance coverage, unless reduced by the City Attorney:

- (1) General liability insurance. Occurrence basis with minimum limits of \$1,000,000 each occurrence, \$2,000,000 General Aggregate, and \$1,000,000 Products/Completed Operations Aggregate; and
- (2) Automobile liability insurance of \$1,000,000 combined single-limit per accident for bodily injury and property damage, unless waived as provided in 7(b) below; and
- (3) Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and

b. It is the parties' understanding that the use of a motor vehicle is not a primary subject of this Agreement. CONTRACTOR acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of CONTRACTOR. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such insurance is required.

Acknowledged by CONTRACTOR \_\_\_\_\_

Waiver appropriate by CITY \_\_\_\_\_

c. Each insurance policy required above must be acceptable to the City Attorney.

- (1) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A- rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.
- (2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.
- (3) Both the General Liability and the Automobile Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The endorsement must be ISO Form CG2010 11/85 edition or its equivalent for General Liability endorsements and CA 20-01 for Automobile Liability endorsements.
- (4) The General Liability policy must include coverage for bodily injury and property damage arising from CONTRACTOR's work, including its on-going operations and products-completed operations hazard.
- (5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.

d. In executing this Agreement, CONTRACTOR agrees to have completed insurance documents on file with the CITY within fourteen (14) days after the date of execution.

Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY's option.

8. Indemnification. CONTRACTOR (which in this paragraph 8 includes its agents, employees and subcontractors, if any) agrees to indemnify, defend, and hold harmless the CITY from all claims, lawsuits, damages, judgments, loss, liability, or expenses, including attorneys' fees, for any of the following:
- Any claim of liability arising out of the negligence or any acts or omissions of CONTRACTOR in the performance of this Agreement;
  - Any personal injuries, property damage or death that CONTRACTOR may sustain while using CITY-controlled property or equipment, while participating in any activity sponsored by the CITY, or from any dangerous condition of property; or
  - Any injury or death which results or increases by any action taken to medically treat CONTRACTOR.

Stormwater Indemnification. CONTRACTOR shall further indemnify, defend, and hold harmless CITY and its officers, employees, and agents from and against any and all liabilities, claims, actions, causes of action, proceedings, suits, administrative proceeds, damages, fines, penalties, judgments, orders, liens, levies, costs and expenses of whatever nature, including reasonable attorney's fees and disbursements, arising out of any violation, or claim of violation of the San Diego Municipal Storm Water Permit (Order No. R9-2007-0001), as amended or renewed, of the California Regional Water Quality Control Board Region 9, San Diego, which CITY might suffer, incur, or become subject by reason of or occurring as a result of or allegedly caused by the construction of the Project or the Improvements.

9. Anti-Assignment Clause. Since the CITY has relied on the particular skills of CONTRACTOR in entering this Agreement, CONTRACTOR may not assign, delegate, or sublet any duty or right under this Agreement, or any portion of the Description of Services. Any such purported assignment, delegation, or subletting will void this entire Agreement, unless the CITY has previously approved such action in writing. Unless CONTRACTOR assigns this entire Agreement, including all rights and duties herein, to a third party with the CITY'S written consent, CONTRACTOR shall be the sole payee under this Agreement. Any and all payments made pursuant to the terms of this Agreement are otherwise not assignable.
10. Costs and Attorney's Fees. In the event that legal action is required to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs.
11. Independent Contractor. CONTRACTOR is an independent contractor and no agency or employment relationship is created by the execution of this Agreement.
12. Merger Clause. This Agreement and its Attachments, if any, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Agreement and any of its Attachments, the provisions of this Agreement must prevail.
13. Anti-Waiver Clause. None of the provisions in this Agreement will be waived by CITY because of previous failure to insist upon strict performance, nor will any provision be waived because any other provision has been waived by CITY, in whole or in part.
14. Severability. The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provisions of this Agreement.



15. Choice of Law. This Agreement is governed by the laws of the State of California. Venue for all actions arising from this Agreement must be exclusively in the state or federal courts located in San Diego County, California.
16. Multiple Copies of Agreement/Counterparts. Multiple copies and/or counterparts of this Agreement may be executed, including duplication by photocopy or by computerized scanning device. Each duplicate will be deemed an original with the same effect as if all the signatures were on the same instrument. However, the parties agree that the Agreement on file in the office of the Escondido City Clerk is the copy of the Agreement that shall take precedence should any differences exist among copies or counterparts of the document.
17. Provisions Cumulative. The foregoing provisions are cumulative and in addition to and not in limitation of any other rights or remedies available to the CITY.
18. Notices to Parties. Any statements, communications or notices to be provided pursuant to this Agreement must be sent to the attention of the persons indicated below. Each party agrees to promptly send notice of any changes of this information to the other party.
19. Business License. The CONTRACTOR is required to obtain a City of Escondido Business License prior to execution of this Agreement.
20. Compliance with Applicable Laws, Permits and Licenses. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules in effect during the term of this Agreement. This shall include, but not limited to, all California Labor Code laws regarding payment of prevailing wages and all OSHA regulations. CONTRACTOR shall obtain any and all licenses, permits, and authorizations necessary to perform the services set forth in this Agreement. Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.
21. Prevailing Wages. If applicable, pursuant to Section 1770 et seq. of the Labor Code, CONTRACTOR agrees that a prevailing rate and scale of wages, in accordance with applicable State and Federal Law, will be paid in the carrying out of this Agreement. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules pertaining to the payment of prevailing wages. The prevailing rate and scale to be paid shall be the same as the 'General Prevailing Wage Rates' approved by the Department of Industrial Relations as of the date of the execution of this Agreement. Said rates and scales are herein referred to and adopted in this Agreement as though fully and completely set forth herein, and said scale as adopted by the Department is made a part of this Agreement by reference. Copies of the prevailing rate of per diem wages are available on the Intranet at (<http://www.dir.ca.gov/DLSR>). Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.
22. Immigration Reform and Control Act of 1986. CONTRACTOR shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. CONTRACTOR affirms that as a licensed Contractor and employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. CONTRACTOR agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.

23. E-Verify Participation. CONTRACTOR agrees to enroll in and begin use of the United States Department of Homeland Security's ("DHS") E-Verify program ("E-Verify") within thirty (30) days of the execution of this Agreement to confirm employment eligibility of all of CONTRACTOR'S potential new hires. CONTRACTOR agrees and understands that E-Verify enrollment requires CONTRACTOR to sign a Memorandum of Understanding ("MOU") with DHS which provides the E-Verify terms of use. Any violation of the MOU by CONTRACTOR is grounds for DHS' termination of CONTRACTOR'S participation in the E-Verify program. Any such termination by DHS shall constitute grounds for City's immediate termination of this Agreement.

IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

CITY OF ESCONDIDO

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Department or Division Head

\_\_\_\_\_  
(Contractor name)

Date: \_\_\_\_\_

\_\_\_\_\_  
(Contractor signature)

\_\_\_\_\_  
Title

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.

IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

CITY OF ESCONDIDO

Date: \_\_\_\_\_

\_\_\_\_\_  
Clay Phillips  
City Manager

\_\_\_\_\_  
(Contractor name)

Date: \_\_\_\_\_

\_\_\_\_\_  
(Contractor signature)

\_\_\_\_\_  
Title

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY  
JEFFREY R. EPP, City Attorney

By: \_\_\_\_\_

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.

IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

CITY OF ESCONDIDO

Date: \_\_\_\_\_

\_\_\_\_\_  
Sam Abed  
Mayor

Date: \_\_\_\_\_

\_\_\_\_\_  
Marsha Whalen  
City Clerk

Date: \_\_\_\_\_

\_\_\_\_\_  
(Contractor name)

\_\_\_\_\_  
(Contractor signature)

\_\_\_\_\_  
Title

*(The above signature must be notarized)*

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY  
JEFFREY R. EPP, City Attorney

By: \_\_\_\_\_

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.

## 1. WORK COVERED BY CONTRACT DOCUMENTS

The work generally consists of construction including:

- i. All existing conduit have been cleaned and left with pull ropes in preparation for pulling cable. (With the exception of the conduit yet to be installed in Harmony Grove Road.)
- ii. Furnish and install approximately 1,300 linear feet of 2-inch diameter PVC conduit from the pull box adjacent to the Escondido Flood Control Channel (approximate Sta. 99+20) adjacent to Harmony Grove Road to the existing pull box located behind the sidewalk adjacent to the east side of the building at 2120 Harmony Grove Road.
- iii. Furnish and install approximately 16,000 linear feet of Corning Altos 24-Fiber Single Mode Fiber Optic Cable (configuration 02401U4-T410D20) as follows:
  1. From the telecommunications room at Fire Station #1 to the terminal block located in the Reclaimed Water Pump Building at the Hale Avenue Resource Recovery Facility (HARRF), 1521 South Hale Avenue, Escondido, CA. (approximately 11,000 lf)
  2. From the terminal block at the HARRF Reclaimed Water Pump Building to the Utilities Administration Building located at 1521 South Hale Avenue, Escondido, CA. (approximately 1,500 lf)
  3. From the terminal block at the HARRF Reclaimed Water Pump Building to the telecommunications room in the building located at 2120 Harmony Grove Road, Escondido, CA. (approximately 3,500 lf)
- iv. Make all the necessary terminal connections at all locations and furnish and install any and all equipment necessary to complete the terminal connections
- v. Furnish and install all traffic control devices necessary to comply with regulations associated with the trenching work in Harmony Grove Road.
- vi. Furnish, install and maintain all BMPs associated with storm water quality and pollution control requirements.

Lead Agency: City of Escondido.

The work will be constructed under a single prime contract.

# CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

Agenda Item No.: 11

Date: August 10, 2011

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Lori Vereker, Director of Utilities  
**SUBJECT:** Notice of Completion for the Aqua Ammonia Tank Project

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2011-110 and authorize the Director of Utilities to file a Notice of Completion for the Aqua Ammonia Tank Project

FISCAL ANALYSIS:

The final construction cost of the work was \$171,224.65. Vista Irrigation District is responsible for 20% of the final cost.

PREVIOUS ACTION:

On June 23, 2010 Council awarded the Aqua Ammonia Tank Project to Ace Excavating and Environmental Services Incorporated with Resolution No. 2010-109.

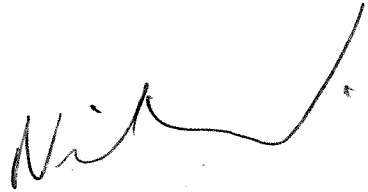
BACKGROUND:

Aqua Ammonia is combined with chlorine to disinfect the potable water. The addition of this new tank provides greater treatment reliability, and allows repair and maintenance work to be performed on the existing tank.

Respectfully submitted,



Lori Vereker  
Director of Utilities



Neil Greenwood  
Utilities Construction Manager

RESOLUTION NO. 2011-110

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
APPROVING FILING A NOTICE OF  
COMPLETION FOR THE AQUA AMMONIA  
TANK PROJECT AT THE WATER  
FILTRATION PLANT

WHEREAS, the Aqua Ammonia Tank Project improvements made to the Water Filtration Plant provide for redundancy in the potable water disinfection process; and

WHEREAS, authorized representatives from the City of Escondido declared work performed under this contract to be completed as of July 1, 2011; and

WHEREAS, the City of Escondido Staff and the Director of Utilities deems the filing of the Notice of Completion to be valid and recommends approval; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to approve the filing of the Notice of Completion;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council accepts the recommendation of the Director of Utilities.
3. That the City Council of the City of Escondido hereby approve the request to file Notice of Completion for the Aqua Ammonia Tank Project.



## CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

Agenda Item No.: 12

Date: August 10, 2011

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Lori Vereker, Director of Utilities

**SUBJECT:** Architectural Design of the HARRF Expansion Phase III Administration Building

RECOMMENDATION:

It is requested that the City Council:

1. Adopt Resolution No. 2011-108 authorizing the Mayor and City Clerk to execute an Agreement with HB&A Architects, Inc., of Escondido, California, for the Architectural Design of the HARRF Phase III Administration Building, in the amount of \$372,650.
2. Approve a budget adjustment in the amount of \$450,000.

FISCAL ANALYSIS:

Sufficient funds are located in CIP 801706 HARRF Upgrades for the design effort.

BACKGROUND:

This project will design an additional Administration Building at the Hale Avenue Facility which will replace the existing operations building constructed in 1973 located adjacent to the primary clarifiers. Additionally, the new building will house the Wastewater Collections staff currently located in temporary buildings at the City yard as part of the closure of the Public Works Yard.

On May 2, 2011, requests for proposals were electronically mailed to six architectural firms. Five proposals were received on May 25, 2011, and evaluated by staff.

It was determined that the proposal from HB&A Architects, Inc. best fit the needs of the City. Consideration was given to completeness, cost, design concept compatibility with existing facilities, and location of the Consultant's offices.

Respectfully submitted



Lori Vereker,  
Director of Utilities.



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: July 20, 2011
Department: Utilities - Wastewater
Division: Capital Projects
Project/Budget Manager: Craig Whittemore 4038
Name Extension
Council Date (if applicable): August 10, 2011
(attach copy of staff report)

For Finance Use Only
Log #
Fiscal Year
Budget Balances
General Fund Accts
Revenue
Interfund Transfers
Fund Balance

Table with 4 columns: Project/Account Description, Account Number, Amount of Increase, Amount of Decrease. Includes rows for HARRF Phase III Admin Bldg and HARRF Upgrades.

Explanation of Request:
To fund the design of the HARRF Expansion Phase III Administration Building.

APPROVALS

Department Head: [Signature] 7/25/11 Date
City Manager: \_\_\_\_\_ Date
Finance: [Signature] 8/1/11 Date
City Clerk: \_\_\_\_\_ Date

Distribution (after approval): Original: Finance

RESOLUTION NO. 2011-108

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE, ON BEHALF OF THE CITY, A CONSULTING AGREEMENT FOR DESIGN PROFESSIONALS WITH HB&A ARCHITECTS, INC. FOR THE DESIGN OF THE HALE AVENUE RESOURCE RECOVERY FACILITY, PHASE III ADMINISTRATION BUILDING

WHEREAS, the City desires to have construction drawings and specifications prepared for the Hale Avenue Resource Recovery Facility, Phase III Administration Building; and

WHEREAS, HB&A Architects, Inc. of Escondido has the personnel and expertise to perform the required design services; and

WHEREAS, City of Escondido staff have completed negotiations with HB&A Architects, Inc. for design services and the Director of Utilities recommends that the Consulting Agreement ("Agreement") be approved; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to approve said Agreement in an amount not to exceed \$372,650.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the Mayor and City Clerk are hereby authorized to execute, on behalf of the City, an Agreement with HB&A Architects, Inc. A copy of the Agreement is attached as Exhibit "1" and is incorporated by this reference.



CITY OF ESCONDIDO  
CONSULTING AGREEMENT FOR DESIGN PROFESSIONALS

(ONLY for licensed architects, landscape architects, professional engineers, and professional land surveyors who are performing design services for the City)

This Agreement is made this \_\_\_\_\_ day of August, 2011.

Between: CITY OF ESCONDIDO  
a Municipal Corporation  
201 N. Broadway  
Escondido, California 92025  
Attn: Craig Whittemore  
760-839-4038  
("CITY")

And: HB&A Architects, Inc.  
240 N. Market Place  
Escondido, CA 92029  
Attn: Mark Baker  
760-738-8608 ext. #201  
("CONSULTANT")

Witness that whereas:

- A. It has been determined to be in the CITY's best interest to retain the professional services of a consultant to design and engineer a new 3 story, approximately 16,000 sq. ft. administrative office building to be located at the existing city facilities on 1521 Hale Avenue in Escondido, CA; and
- B. The CONSULTANT is considered competent to perform the necessary professional services for CITY;

NOW, THEREFORE, it is mutually agreed by and between CITY and CONSULTANT as follows:

- 1. Services. The CONSULTANT will furnish all of the services as described in "Attachment A" which is attached and incorporated by this reference.
- 2. Compensation. The CITY will pay the CONSULTANT in accordance with the conditions specified in "Attachment A," in the sum of \$372,650.00. Any breach of this Agreement will relieve CITY from the obligation to pay CONSULTANT, if CONSULTANT has not corrected the breach after CITY provides notice and a reasonable time to correct it.
- 3. Scope of Compensation. The CONSULTANT will be compensated for performance of tasks specified in "Attachment A" only. No compensation will be provided for any other tasks without specific prior written consent from the CITY.

4. **Duties.** CONSULTANT will be responsible for the professional quality, technical accuracy, timely completion, and coordination of all reports and other services furnished by the CONSULTANT under this Agreement, except that the CONSULTANT will not be responsible for the accuracy of information supplied by the CITY.
5. **Personnel.** The performance of services under this Agreement by certain professionals is significant to the CITY. CONSULTANT will assign the persons listed on "Attachment B," which is attached and incorporated by this reference, to perform the Services described in Paragraph 1, and will not add or remove persons from the list without the prior written consent of the CITY. CONSULTANT will not subcontract any tasks under this Agreement without obtaining the advance written consent of the CITY.
6. **Termination.** Either CONSULTANT or the CITY may terminate this Agreement with thirty (30) days advance written notice.
7. **City Property.** All original documents, drawings, electronic media, and other material prepared by CONSULTANT under this Agreement immediately becomes the exclusive property of the CITY, and may not be used by CONSULTANT for any other purpose without prior written consent of the CITY.
8. **Insurance.**
  - a. The CONSULTANT shall secure and maintain at its own costs, for all operations, the following insurance coverage, unless reduced by the City Attorney:
    - (1) General liability insurance. Occurrence basis with minimum limits of \$1,000,000 each occurrence, \$2,000,000 General Aggregate, and \$1,000,000 Products/Completed Operations Aggregate; and
    - (2) Automobile liability insurance of \$1,000,000 combined single-limit per accident for bodily injury and property damage, unless waived as provided in 8(b) below; and
    - (3) Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and
    - (4) Errors and Omissions professional liability insurance with minimum coverage of \$1,000,000.
  - b. It is the parties' understanding that the use of a motor vehicle is not a primary subject of this Agreement. CONSULTANT acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of the CONSULTANT. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such insurance is required.  
  
Acknowledged by CONSULTANT \_\_\_\_\_  
  
Waiver appropriate by CITY \_\_\_\_\_
  - c. Each insurance policy required above must be acceptable to the City Attorney:
    - (1) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A- rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.
    - (2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.

- (3) Both the General Liability and the Automotive Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The endorsement must be ISO Form CG2010 11/85 edition or its equivalent for General Liability endorsements and CA 20-01 for Automobile Liability endorsements.
  - (4) The General Liability policy must include coverage for bodily injury and property damage arising from CONSULTANT's work including its ongoing operations and products-completed operations hazard.
  - (5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.
  - d. In executing this Agreement, CONSULTANT agrees to have completed insurance documents on file with the CITY within fourteen (14) days after the date of execution. Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY's option.
9. Indemnification. CONSULTANT (which in this paragraph 9 includes its agents, employees and subcontractors, if any) agrees to indemnify, defend, and hold harmless the CITY from all claims, lawsuits, damages, judgments, loss, liability, or expenses, including attorneys' fees, for any of the following:
- a. Any claim of liability arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of CONSULTANT in the performance of this Agreement, excepting only those claims resulting from the sole negligence, active negligence or intentional misconduct of CITY, its employees, officials, or agents, not including CONSULTANT;
  - b. Any personal injuries, property damage or death that CONSULTANT may sustain while using CITY-controlled property or equipment, while participating in any activity sponsored by the CITY, or from any dangerous condition of property; or
  - c. Any injury or death which results or increases by any action taken to medically treat CONSULTANT.
10. Anti-Assignment Clause. The CONSULTANT may not assign, delegate or transfer any interest or duty under this Agreement without advance written approval of the CITY, and any attempt to do so will immediately render this entire Agreement null and void.
11. Costs and Attorney's Fees. In the event that legal action is required to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs.
12. Independent Contractor. CONSULTANT is an independent contractor and no agency or employment relationship, either express or implied, is created by the execution of this Agreement.
13. Merger Clause. This Agreement and its Attachments, if any, are the entire understanding of the parties, and there are no other terms or conditions, written or oral, controlling this matter. In the event of any conflict between the provisions of this Agreement and any of its Attachments, the provisions of this Agreement must prevail.
14. Anti-Waiver Clause. None of the provisions in this Agreement will be waived by CITY because of previous failure to insist upon strict performance, nor will any provision be waived by CITY because any other provision has been waived, in whole or in part.

15. **Severability.** The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provisions of this Agreement.
16. **Choice of Law.** This Agreement is governed by the laws of the State of California. Venue for all actions arising from this Agreement must be exclusively in the state or federal courts located in San Diego County, California.
17. **Multiple Copies of Agreement/Counterparts.** Multiple copies and/or counterparts of this Agreement may be executed, including duplication by photocopy or by computerized scanning device. Each duplicate will be deemed an original with the same effect as if all the signatures were on the same instrument. However, the parties agree that the Agreement on file in the office of the Escondido City Clerk is the copy of the Agreement that shall take precedence should any differences exist among copies or counterparts of the document.
18. **Provisions Cumulative.** The foregoing provisions are cumulative and in addition to and not in limitation of any other rights or remedies available to the CITY.
19. **Notices to Parties.** Any statements, communications or notices to be provided pursuant to this Agreement must be sent to the attention of the persons indicated below. Each party agrees to promptly send notice of any changes of this information to the other party, at the address first above written.
20. **Business License.** The CONSULTANT is required to obtain a City of Escondido Business License prior to execution of this Agreement.
21. **Compliance with Applicable Laws, Permits and Licenses.** CONSULTANT shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, and rules in effect during the term of this Agreement. CONSULTANT shall obtain any and all licenses, permits, and authorizations necessary to perform services set forth in this Agreement. Neither CITY, nor any elected nor appointed boards, officers, officials, employees, or agents of CITY shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.
22. **Immigration Reform and Control Act of 1986.** CONSULTANT shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. CONSULTANT affirms that as an employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. CONSULTANT agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.
23. **E-Verify Participation.** CONSULTANT agrees to enroll in and begin use of the United States Department of Homeland Security's ("DHS") E-Verify program ("E-Verify") within thirty (30) days of the execution of this Agreement to confirm employment eligibility of all of CONSULTANT'S potential new hires. CONSULTANT agrees and understands that E-Verify enrollment requires CONSULTANT to sign a Memorandum of Understanding ("MOU") with DHS which provides the E-Verify terms of use. Any violation of the MOU by CONSULTANT is grounds for DHS' termination of CONSULTANT'S participation in the E-Verify program. Any such termination by DHS shall constitute grounds for City's immediate termination of this Agreement.

IN WITNESS WHEREOF, the parties below are authorized to act on behalf of their organizations, and have executed this Agreement as of the date set forth below.

CITY OF ESCONDIDO

Date: \_\_\_\_\_

\_\_\_\_\_  
Sam Abed  
Mayor

Date: \_\_\_\_\_

\_\_\_\_\_  
Marsha Whalen  
City Clerk

Date: \_\_\_\_\_

\_\_\_\_\_  
(Contractor signature)

\_\_\_\_\_  
Title

*(The above signature must be notarized)*

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY  
JEFFREY R. EPP, City Attorney

By: \_\_\_\_\_

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.





July 15, 2011

## "ATTACHMENT A"

Mr. Craig Whittemore  
Deputy Director of Utilities  
Construction and Engineering  
1521 South Hale Avenue, Escondido, CA 92029

### PROPOSAL TO PROVIDE PROFESSIONAL SERVICES TO COMPLETE AN ADMINISTRATION FACILITY FOR THE UTILITIES DEPARTMENT ON 1521 HALE AVENUE IN THE CITY OF ESCONDIDO CA

We, HB&A Architects Inc. (CONSULTANT), hereby submit this proposal dated July 15, 2011 to the City of Escondido (CLIENT) and Mr. Craig Whittemore (CLIENT REPRESENTATIVE) to provide professional services required for the preliminary meetings, re-zone, design development and construction documents for a new administrative office building. This proposal includes civil engineering, mechanical engineering, electrical engineering, structural engineering, landscape architecture, fire sprinkler design and acoustical study.

#### FEES: Base Contract Architectural Services

CONSULTANT'S fixed fee for the services detailed in this proposal for the Architectural/Engineering phase shall be based on the program provided by the owner listed in the RFP dated May 2, 2011 and the preliminary site plan developed by HB&A. **Should the scope of work substantially change, renegotiation of the fee shall occur accordingly.** Upon completion and acceptance by the CLIENT of A/E phases, payments shall not exceed the amounts listed below without written approval by both parties.

#### Re-zone Phase

\$31,850.00

Develop documents necessary for the review and process of a rezone application thru the City of Escondido.

#### Architectural Design to include:

- Architectural Site Plan
- Preliminary Floor Plans
- Building Sections (and site sections as necessary  
to show relative heights to adjacent neighbors)
- Colored Elevations
- Finish Material Board
- All Staff Meetings
- Design Review Meetings

#### Civil Engineering to include:

- Topographic Survey
- Preliminary Grading Plan
- Preliminary Erosion Control Plan

#### Landscape Design

- Preliminary Planting Plan
- Preliminary Irrigation Plan

Construction Documents (CDs) Phase

\$268,400.00

Develop construction documents for a new 16,000 square foot, 3 story office building. Remodel of the existing office building as outlined in the RFP program shall be included also. Building design shall include cost effective, energy efficient (green) features.

Architectural Design to include:

- Architectural Site Plan
- Floor Plans
- Roof Plans
- Ceiling Plans
- Exterior Elevations
- Interior Elevations
- Building Sections
- Construction Details
- Door, Window & Finish Schedules
- Construction Specifications
- Acoustical study
- Cost estimate

Civil Engineering to include:

- Grading Plan
- Erosion Control Plan
- Construction Details
- Water Quality Management Plan
- Drainage Report

Landscape Design to include:

- Planting Plan
- Irrigation Plan
- Planting Details
- Irrigation Details

Structural Engineering to include:

- Foundation Plan
- Framing Plans
- Structural Details
- Building and wall sections

Mechanical Engineering to include:

- HVAC Plans
- Plumbing Plans
- HVAC and Plumbing Details
- Fixture Schedules
- Title 24 energy analysis (required)

Electrical Engineering to include:

- Power and Lighting Plans
- Voice and Data Plans
- Fire Alarm Plans

Fire Sprinkler Design to include:

- Sprinkler Floor Plans
- Fire sprinkler details

Construction Administration Phase

(Time and Rate Not to Exceed) \$37,400.00

All consultant disciplines shall be involved in the review of the project during construction. This could include:

- Attending on-site construction meetings (Up to 12 as requested by the CLIENT)
- Review contractor requests for information (RFI's) and provide clarification drawings as necessary
- Review submittals
- Walk project for final punch lists

Additional Services

The CLIENT reserves the right to initiate additional services by written request and they shall be billed at an agreed upon fixed fee or at the consultant's hourly rates per the attached rate sheet. The total amount of these services shall not exceed \$35,000.00. Additional services could include:

- Reimbursement expenses (see list attached) shall be invoiced at cost times a multiple of 1.15 not to exceed \$5,000.00 unless specifically authorized in writing by the CLIENT.
- Renderings, Photo Simulations or Models
- Title Report (Estimate = \$1,500.00)
- Environmental studies beyond those provided by HB&A's civil engineer as outlined above
- Revise existing HVAC at Labs (Estimate = \$5,000.00)
- Interior (modular furniture) Design = (Estimate = \$6,000.00)
- Site Security (Estimate = \$6,000.00)
- Permit processing beyond back checking
- Agency fees are not included in this proposal

Payment Schedule

Payments shall be billed monthly (on the 15<sup>th</sup> with net 30 days terms) based on approved progress of work and shall not exceed the phase amount listed above unless approved by the CLIENT.

GENERAL:

This proposal shall be valid for a period of 60-days from the date of this proposal and it is understood and agreed that this proposal shall form a part of the agreement between the CONSULTANT and the CLIENT. The proposal shall be attached as "Attachment A"



7.15.11

Signature (Mark Baker)

Date

Principal  
Title

HB&A Architects, Inc.  
Company Name

Personnel Hourly Rates

Principal/Officer	\$ 250.00
Principal/Project Manager	\$ 150.00
Construction Manager/Administrator	\$ 150.00
Senior Project Architect	\$ 125.00
Senior Designer	\$ 125.00
Architect/Designer	\$ 150.00
Senior Interior Designer	\$ 100.00
Interior Designer	\$ 70.00
Mechanical Engineer Principal	\$ 100.00
Mechanical Engineer	\$ 90.00
Mechanical Designer	\$ 90.00
Electrical Engineer Principal	\$ 100.00
Electrical Engineer	\$ 90.00
Electrical Designer	\$ 90.00
Senior CAD Operator	\$ 95.00
CAD Draftsman/Operator	\$ 65.00
Clerical	\$ 50.00
Master Planning/Site Design Principal	\$ 150.00
Senior Landscape Architect/Planner	\$ 100.00
Landscape Architect/Planner	\$ 100.00
Technical Support	\$ 60.00
Senior Cost Estimator	\$ 100.00
Structural/Civil Principal	\$ 150.00
Structural/Civil Engineer	\$ 100.00
Structural/Civil Designer	\$ 100.00
Structural/Civil Draftsman	\$ 100.00
Surveying Crew	\$ 120.00

Reimbursable Items

Printing	Direct Cost + 15%
Mileage (IRS approved amount) currently	\$ 0.485 per mile
Delivery Service	Direct Cost + 15%
Long Distance Phone/FAX, Postage, Phone	Direct Cost + 15%
Travel Expenses-Air/Auto/Meals	Direct Cost
Consultants	Direct Cost + 15%

Fee rate as of 01.01.11

# CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 13**  
**Date: August 10, 2011**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Lori Vereker, Utilities Director  
**SUBJECT:** Bid Award for the Secondary Clarifiers Rehabilitation Project

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2011-109 authorizing the Mayor and City Clerk to execute an agreement with Stanek Constructors Incorporated ("Stanek") of Escondido in the amount of \$443,700 for the Secondary Clarifiers Rehabilitation Project (the "Project") at the Hale Avenue Resource Recovery Facility.

FISCAL ANALYSIS:

This Project is budgeted within the Wastewater Capital Improvements Budget.

PREVIOUS ACTION:

At the City Council meeting on December 8, 2010 the procurement of the replacement mechanical equipment for the secondary clarifiers was approved in the amount of \$406,516. The equipment was purchased to match that of two other existing secondary clarifiers and the required time to manufacture and deliver was approximately six months.

BACKGROUND:

The Project is for the installation of the pre-purchased mechanical equipment to rehabilitate two secondary clarifiers that were built in 1984.

The City of Escondido received three sealed bids in response to its advertisements for sealed bids for the Project. The Engineer's estimate for the Project was \$450,000. Sealed bids were received and opened by the City Clerk on July 21, 2011, with the following results:

- |  |                           |
|--|---------------------------|
| 1) Industrial Coatings & Restoration, Oceanside. | \$415,000 (Bid withdrawn) |
| 2) Stanek Constructors, Inc., Escondido.         | \$443,700                 |
| 3) Filanc Construction, Inc., Escondido.         | \$461,279                 |

Following the bid opening, the City reviewed the bid proposals submitted. The low bid submitted by Industrial Coatings & Restoration ("Industrial") was found to be non-responsive due to the lack of required specialty experience and a non-responsive bid bond. Industrial withdrew its bid before being notified of the Staff's bid analysis because Industrial misunderstood the project scope and does not perform the work required by the Project. After reviewing Stanek's bid materials, Staff determined that they were the lowest responsive and responsible bidder.

Respectfully submitted,



Lori Vereker  
Director of Utilities



Neil Greenwood  
Utilities Construction Manager

RESOLUTION NO. 2011-109

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE, ON BEHALF OF THE CITY, A PUBLIC IMPROVEMENT AGREEMENT WITH STANEK CONSTRUCTORS INCORPORATED, FOR THE SECONDARY CLARIFIERS REHABILITATION PROJECT AT THE HALE AVENUE WASTEWATER PLANT

WHEREAS, the Escondido City Council authorized an invitation for bids for the Secondary Clarifiers Rehabilitation project (the "Project"); and

WHEREAS, the City of Escondido opened sealed bids for the Project on July 21, 2011; and

WHEREAS, the apparent low bidder, Industrial Coatings and Restoration, misinterpreted the scope of the Project and requested to withdraw their bid; and

WHEREAS, the Director of Utilities has accepted the withdrawal of the bid from Industrial Coatings and Restoration and determined Stanek Constructors Incorporated ("Stanek") to be the lowest responsive and responsible bidder and recommends awarding the bid in the amount of \$443,700 to Stanek; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to award this contract to Stanek;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.

2. That the Mayor and City Council accepts the recommendation of the Director of Utilities and finds Stanek to be the lowest responsive and responsible bidder.

3. That the Mayor and City Clerk are authorized to execute, on behalf of the City, a Public Improvement Agreement ("Agreement") with Stanek for the Project. A copy of the Agreement is attached as Exhibit "A" and is incorporated by this reference.



## PUBLIC IMPROVEMENT AGREEMENT

This "Agreement", dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, in the County of SAN DIEGO, State of California, is by and between **THE CITY OF ESCONDIDO** (hereinafter referred to as "CITY"), and Stanek Constructors, Inc. (hereinafter referred to as "CONTRACTOR").

The CITY and the CONTRACTOR, for the consideration stated herein, agree as follows:

1. The complete contract includes all of the Project Documents described in the General Conditions, which are incorporated by reference. The Project Documents are complementary, and what is called for by any one shall be as binding as if called for by all.
2. CONTRACTOR shall perform within the time set forth in Paragraph 4 of this Agreement everything required and reasonably inferred to be performed, and shall provide and furnish all the labor, materials, necessary tools, expendable equipment, and all utility and transportation services as described in the complete contract and required for construction of

### SECONDARY CLARIFIERS REHABILITATION PROJECT

All of said work to be performed and materials to be furnished shall be completed in a good workmanlike manner, free from defects, in strict accordance with the plans, drawings, specifications and all provisions of the complete contract as hereinabove defined. The CONTRACTOR shall be liable to the CITY for any damages and resulting costs, including consultants' costs, arising as a result of a failure to fully comply with this obligation, and the CONTRACTOR shall not be excused with respect to any failure to so comply by any act or omission of the Architect, Engineer, Inspector, or representative of any of them, unless such act or omission actually prevents the CONTRACTOR from fully complying with the requirements of the Project Documents, and unless the CONTRACTOR protests at the time of such alleged prevention that the act or omission is preventing the CONTRACTOR from fully complying with the Project documents. Such protest shall not be effective unless reduced to writing and filed with the CITY within **three (3) working days** of the date of occurrence of the act or omission preventing the CONTRACTOR from fully complying with the Project documents.

3. CITY shall pay to the CONTRACTOR, as full consideration for the faithful performance of the contract, subject to any additions or deductions as provided in the Project documents, the sum of **Four Hundred Forty Three Thousand Seven Hundred Dollars (\$443,700.00)**.
4. The work shall be commenced on or before the twenty-first (21<sup>st</sup>) day after receiving the CITY'S Notice to Proceed and shall be completed within **sixty (60) calendar days** from the date specified in the Notice to Proceed.
5. Time is of the essence. If the work is not completed in accordance with Paragraph 4 above, it is understood that the CITY will suffer damage. It being impractical and infeasible to determine the amount of actual damage(s), in accordance with Government Code Section 53069.85, it is agreed that

CONTRACTOR shall pay to CITY as fixed and liquidated damages, and not as a penalty, the sum(s) indicated in the LIQUIDATED DAMAGES SCHEDULE below for each calendar day of delay until work is completed and accepted. This amount shall be deducted from any payments due to or to become due to CONTRACTOR. CONTRACTOR and CONTRACTOR'S surety shall be liable for the amount thereof. Time extensions may be granted by the CITY as provided in the General Conditions.

Liquidated damages schedule:

If the overall project is delayed **one (1) calendar day or more**, the rate shall be **\$360/day**.

**Acknowledged:**

\_\_\_\_\_  
**Initials of Principal**

6. In the event CONTRACTOR for a period of **ten (10) calendar days** after receipt of written demand from CITY to do so, fails to furnish tools, equipment, or labor in the necessary quantity or quality, or to prosecute said work and all parts thereof in a diligent and workmanlike manner, or after commencing to do so within said **ten (10) calendar days**, fails to continue to do so, then the CITY may exclude the CONTRACTOR from the premises, or any portion thereof, and take possession of said premises or any portion thereof, together with all material and equipment thereon, and may complete the work contemplated by this Agreement or any portion of said work, either by furnishing the tools, equipment, labor or material necessary, or by letting the unfinished portion of said work, or the portion taken over by the CITY to another contractor, or demanding the surety hire another contractor, or by any combination of such methods. In any event, the procuring of the completion of said work, or the portion thereof taken over by the CITY, shall be a charge against the CONTRACTOR, and may be deducted from any money due or to become due to CONTRACTOR from the CITY, or the CONTRACTOR shall pay the CITY the amount of said charge, or the portion thereof unsatisfied. The sureties provided for under this Agreement shall become liable for payment should CONTRACTOR fail to pay in full any said cost incurred by the CITY. The permissible charges for any such procurement of the completion of said work should include actual costs and fees incurred to third party individuals and entities (including, but not limited to consultants, attorneys, inspectors, and designers) and actual costs incurred by CITY for the increased dedication of time of CITY employees to the Project.
7. To the fullest extent permitted by law, the CONTRACTOR agrees to and does hereby agree to fully defend, indemnify and hold the CITY, its governing board, officers, agents, Project design team members (architect and consulting engineers), consultants, attorneys, and employees harmless of and from each and every claim, assertion, action, cause of action, arbitration, suit, proceedings, or demand made, and every liability, loss, judgment, award, damage, or expense, of any nature whatsoever (including attorneys' fees, consultant costs), which may be incurred by reason of:
- (a) Asserted and/or actual liability arises from claims for and/or damages resulting from damages for:
    - (1) Death or bodily injury to persons.
    - (2) Injury to, loss or theft of tangible and/or intangible property/ e.g. economic loss.
    - (3) Any other loss, damage or expense arising under either (1) or (2) above, sustained by the CONTRACTOR upon or in connection with the work called for in this

Project, except for liability resulting from the sole active negligence, or willful misconduct of the CITY.

- (b) Any injury to or death of any person(s) or damage, loss or theft of any property caused by any act, neglect, default or omission of the CONTRACTOR, or any person, firm, or corporation employed by the CONTRACTOR, either directly or by independent contract, arising out of, or in any way connected with the work covered by this Agreement, whether said injury or damage occurs on or off City property.
- (c) Any and all liabilities, claims, actions, causes of action, proceedings, suits, administrative proceedings, damages, fines, penalties, judgments, orders, liens, levies, costs and expenses of whatever nature, including reasonable attorneys' fees and disbursements, arising out of any violation, or claim of violation of the San Diego Municipal Storm Water Permit (Order No. 2001-01), and updates or renewals, of the California Regional Water Quality Control Board Region 9, San Diego, which the CITY might suffer, incur, or become subject by reason of or occurring as a result of or allegedly caused by the construction, reconstruction, maintenance, and/or repair of the work under this Agreement.

The CONTRACTOR, at CONTRACTOR's own expense, cost, and risk shall defend any and all actions, suit, or other proceedings that may be brought or instituted against the CITY, its governing board, officers, agents or employees, on any such claim, demand or liability, and shall pay or satisfy any judgment that may be rendered against the CITY, its governing board, officers, agents or employees in any action, suit or other proceedings as a result thereof.

8. (a) CONTRACTOR shall take out, prior to commencing the work, and maintain, during the life of this contract, and shall require all subcontractors, if any, of every tier, to take out and maintain:
- (1) General Liability and Property Damage Insurance as defined in the General Conditions in the amount with a combined single limit of not less that **\$3,000,000 per occurrence**.
  - (2) Course of Construction / Builder's Risk Insurance See 5.2 of General Conditions.
  - (3) Insurance Covering Special Hazards: The following special hazards shall be covered by rider or riders to the above-mentioned public liability insurance or property damage insurance policy or policies of insurance, or by special policies of insurance in amounts as follows:
    - (A) Automotive and truck where operated in amounts as above
    - (B) Material hoist where used in amounts as above
  - (4) Workers' Compensation Insurance.
- (b) Each insurance policy required above must be acceptable to the City Attorney, as follows:

- (1) Each policy must name the CITY specifically as an additional insured under the policy on a separate endorsement page, with the exception of the workers' compensation and the Errors and Omissions policies.
- (2) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A-rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.
- (3) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.

(c) In executing this Agreement, CONTRACTOR agrees to have completed insurance documents on file with the CITY within 14 days after the date of execution. Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY's option.

9. Public Contract Code Section 22300 permits the substitution of securities for any monies withheld by a public agency to ensure performance under a contract. At the request and expense of the CONTRACTOR, securities equivalent to the amount withheld in retention by the CITY, then the subcontractor shall receive the identical rate of interest received by the CONTRACTOR on any retention monies withheld shall be deposited with the public agency, or with a state or federally chartered bank in California as the escrow agent, who shall then pay such monies to the CONTRACTOR. The City retains the sole discretion to approve the bank selected by the CONTRACTOR to serve as escrow agent. Upon satisfactory completion of the contract, the securities shall be returned to the CONTRACTOR. Securities eligible for investment shall include those listed in Government Code Section 16430 or bank or savings and loan certificates of deposit. The CONTRACTOR shall be the beneficial owner of any securities substituted for monies withheld and shall receive any interest thereon.

In the alternative, under Section 22300, the CONTRACTOR may request CITY to make payment of earned retentions directly to the escrow agent at the expense of the CONTRACTOR. Also at the CONTRACTOR's expense, the CONTRACTOR may direct investment of the payments in securities, and the CONTRACTOR shall receive interest earned on such investment upon the same conditions as provided for securities deposited by CONTRACTOR. Upon satisfactory completion of the contract, CONTRACTOR shall receive from the escrow agent all securities, interest and payments received by escrow agent from CITY pursuant to the terms of Section 22300. If CONTRACTOR elects to receive interest on moneys withheld in retention by CITY, CONTRACTOR shall, at the request of any subcontractor, make that option available to the subcontractor regarding any monies withheld in retention by the CONTRACTOR from the subcontractor. If the CONTRACTOR elects to receive any interest on any monies withheld in retention by the Owner, then the subcontractor shall receive the identical rate of interest received by the CONTRACTOR on any retention monies withheld from the subcontractor by the CONTRACTOR, less any actual pro rata costs associated with administering and calculating that interest. In the event the interest rate is a fluctuating rate, the rate for the subcontractor shall be determined by calculating the interest rate paid during the time that retentions were withheld from the subcontractor. If the CONTRACTOR elects to substitute securities in lieu of retention, then, by

mutual consent of the CONTRACTOR and subcontractor, the subcontractor may substitute securities in exchange for the release of monies held in retention by CONTRACTOR. This shall apply only to those subcontractors performing more than five percent (5%) of the CONTRACTOR'S total bid. The CONTRACTOR shall not require any subcontractor to waive any provision of this section.

10. Each and every provision of law and clause required by law to be inserted in this Agreement or its attachments shall be deemed to be inserted herein and the Agreement shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not currently inserted, then upon application of either party the Agreement shall forthwith be physically amended to make such insertion or correction, without further changes to the remainder of the Agreement.
11. The complete contract as set forth in Paragraph 1 of this Agreement constitutes the entire Agreement of the parties. No other agreements, oral or written, pertaining to the work to be performed, exists between the parties. This Agreement can be modified only by an amendment in writing, signed by both parties and pursuant to action of the Escondido City Council.
12. CONTRACTOR shall comply with those provisions of the Labor Code requiring payment of prevailing wages, keeping of certified payroll records, overtime pay, employment of apprentices, and workers' compensation coverage, as further set forth in the General Conditions, and shall file the required workers' compensation certificate before commencing work.
13. CONTRACTOR agrees to enroll in and begin use of the United States Department of Homeland Security's ("DHS") E-Verify program ("E-Verify") within thirty (30) days of the execution of this Agreement to confirm employment eligibility of all of CONTRACTOR'S potential new hires. CONTRACTOR agrees and understands that E-Verify enrollment requires CONTRACTOR to sign a Memorandum of Understanding ("MOU") with DHS which provides the E-Verify terms of use. Any violation of the MOU by CONTRACTOR is grounds for DHS' termination of CONTRACTOR'S participation in the E-Verify program. Any such termination by DHS shall constitute grounds for City's immediate termination of this Agreement.
14. The terms "Project Documents" and/or "Contract Documents" where used, shall refer to those documents include in the definition set forth in the General Conditions made a part hereof.

IN WITNESS WHEREOF, this Agreement has been executed on behalf of CITY by its officers thereunto authorized and by CONTRACTOR, the date and year first above written.

CITY OF ESCONDIDO  
a municipal corporation  
201 North Broadway  
Escondido, CA 92025

By: \_\_\_\_\_  
Marsha Whalen, City Clerk

By: \_\_\_\_\_  
Sam Abed, Mayor

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY  
JEFFREY R. EPP, City Attorney

By: \_\_\_\_\_

**CONTRACTOR**

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature\*

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

(Second signature required only for corporation)

By: \_\_\_\_\_  
Signature\*\*

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

(CORPORATE SEAL OF CONTRACTOR,  
if corporation)

\_\_\_\_\_  
Contractor's License No.

\_\_\_\_\_  
Tax ID/Social Security No.

\*If CONTRACTOR is a corporation, the first signature must be by one of the following officers of the corporation: Chairman of the Board, President, or any Vice President.

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ file No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 14**  
**Date: August 10, 2011**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Gilbert Rojas, Director of Finance  
**SUBJECT:** Award Bid for Water Meters

**RECOMMENDATION:**

It is requested that Council determine the bid from Aqua Metric Sales in the amount of \$141,092.50 to be non-responsive and accept the apparent low bid from HD Supply Waterworks of San Marcos, California, as the lowest responsive and responsible bidder in the amount of \$148,605.

**FISCAL ANALYSIS:**

Sufficient funds are located in the warehouse inventory asset account for stocking water meters.

**BACKGROUND:**

On April 6, 2011, request for bids and specifications were mailed to eight vendors and seven bids were opened and evaluated on May 3, 2011. The bid results are outlined below:

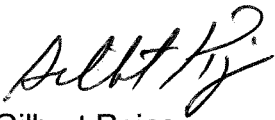
<b>Vendor</b>	<b>Amount</b>
Aqua Metric Sales	\$141,092.50
HD Supply Waterworks	148,605.00
Badger Meter Inc	160,012.50
Elster AMCO Water, Inc	166,942.00
Inland Water Works Supply Co	217,000.00
Measurement Control Systems	304,800.00
Mueller Systems	No Bid

Staff reviewed all bid responses and the apparent low bidder, Aqua Metric Sales, failed to meet our bid document and American Water Works Association's two-year new meter warranty requirement. Failure to properly comply with our bid document and American Water Works Association's two-year new meter warranty requirement, renders their bid to be non-responsive per the bid's General Provisions 18.a, Award of Contract; and the City has the right to award this bid to the lowest and most responsive bidder who conforms to the bid document.

Water Meter Bid Award  
August 10, 2011  
Page 2

Therefore, staff recommends the bid by Aqua Metric Sales be rejected as non-responsive and the water meter bid be award to HD Supply Water Works in the amount of \$148,605.

Respectfully submitted,


A handwritten signature in black ink, appearing to read "Gilbert Rojas". The signature is written in a cursive, flowing style.

Gilbert Rojas,  
Director of Finance



July 14, 2011

TO: Blanca Wolf, Purchasing Supervisor

FROM: Dean Cornell, Water Distribution Superintendent 

SUBJECT: 2011 Water Meter Bid

After reviewing all bids, HD Supply was found to be the most responsive bidder. Although Aqua-Metrics was the lowest bidder, they did not meet the minimum warranty requirement of guaranteeing to meet the American Water Works Associations new meter accuracy standards for the first two years.

RESOLUTION NO. 2011-107

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
AUTHORIZING CITY COUNCIL TO  
APPROVE THE BID AWARD FOR WATER  
METERS

WHEREAS, sufficient funds are located in the warehouse inventory asset account for stocking water meters; and

WHEREAS, a notice inviting bids was duly published; and

WHEREAS, on April 6, 2011, request for bids for water meters were mailed to vendors; and

WHEREAS, seven bids were opened and evaluated on May 3, 2011; and

WHEREAS, the apparent low bid, submitted by Aqua Metric Sales, was determined to be non-responsive and HD Supply Waterworks was determined to be the lowest responsive and responsible bidder; and

WHEREAS, staff recommends awarding the bid to HD Supply Waterworks in the amount of \$148,605 to; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to bid award this contract to HD Supply Waterworks.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.

2. That City Council accepts the recommendation of staff and finds HD Supply Waterworks to be the lowest responsive and responsible bidder.

3. That the City Council is authorized to approve on behalf of the City, the bid award with HD Supply Waterworks for water meters.

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. RRB \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. RRB \_\_\_\_\_

## RENT REVIEW BOARD

Agenda Item No.: 15

Date: August 10, 2011

**TO:** Honorable Chairman and Members of the Rent Review Board  
**FROM:** Jerry Van Leeuwen, Director of Community Services  
**SUBJECT:** Town & Country Club Park Short-form Rent Increase Application

### RECOMMENDATION:

- Adopt Rent Review Board Resolution No. 2011-6 (R), approving a rent increase of 50% of the change in the Consumer Price Index for the period of December 31, 2008, through December 31, 2010.

### BACKGROUND

On July 13, 2011, the Rent Review Board voted 3 to 2 (Councilmembers Waldron and Gallo voting no) to approve a rent increase request equal to 50% of the change in the Consumer Price Index for the period of December 31, 2008, to December 31, 2010. In addition, the Board voted that the public accommodation issues related to accessing the Park Clubhouse must be corrected and in compliance with State Law prior to implementing any rent increase.

Respectfully Submitted,

  
Jerry Van Leeuwen  
Director of Community Services

RESOLUTION NO. RRB 2011-06 (R)

A RESOLUTION OF THE ESCONDIDO  
MOBILEHOME PARK RENT REVIEW BOARD  
MAKING FINDINGS AND GRANTING A SPACE  
RENT INCREASE FOR THE TOWN AND  
COUNTRY CLUB MOBILEHOME PARK

WHEREAS, Article V of Chapter 29 of the Escondido Municipal Code is a codification of the Escondido Mobilehome Rent Protection Ordinance ("Ordinance") and provides for mobilehome park space rent regulation; and

WHEREAS, the City of Escondido Mobilehome Park Rent Review Board ("Board") is charged with the responsibility of considering applications for rent increases; and

WHEREAS, on April 25, 2011, a short-form application was filed by the H.N. and Frances C. Berger Foundation ("Berger Foundation") on behalf of the Town and Country Club Mobilehome Park ("Park"). The Park is located at 2280 East Valley Parkway in Escondido. It is a "senior park" and all residents are required to be 55 years or older. The Park was acquired by the Berger Foundation in a tax-structured charitable donation on December 28, 1988. The Park consists of 155 spaces (148 spaces are subject to rent control, two spaces are occupied by the management staff and five spaces are vacant); and

WHEREAS, this is the tenth rent increase application filed for the Park since the Ordinance became effective July 8, 1988. The last short-form application was filed by the Park in July 2009. The Board granted a rent increase of \$12.36 per space, per month, which equaled 75% of the change in the Consumer Price Index, (CPI) for the period of December 31, 2007, through December 31, 2008 (2.37%); and

WHEREAS, at the time of the current application, the average monthly space rent was \$546.39 for the 148 spaces made subject to the rent increase. The owner requested a rent increase in the amount of 75% of the change in the Consumer Price Index (CPI) for the period of December 31, 2008, through December 31, 2010; and

WHEREAS, a notice of the Park's short-form Rent Increase Application was sent to all affected homeowners. All parties were given notice of the time, date, and place of the rent hearing before the Board; and

WHEREAS, on June 14, 2011, a Mobilehome Park Rent Review Code Enforcement Inspection Report ("Inspection Report") was completed, and it noted Health and Safety Code violations in the Park; and

WHEREAS, on July 13, 2011, the Board held its public hearing. After an initial staff presentation, the Board invited testimony from Park ownership, the resident representative, residents of the Park, and other residents of the community at large; and

WHEREAS, after all present had been given an opportunity to speak, the hearing was closed. Following an opportunity for a lengthy discussion among the Board members and clarifying questions to the Parties and Staff, the Board voted 3 to 2 to grant an average increase of \$5.07, which equals 50% of the change in the Consumer Price Index for a period of consideration beginning December 31, 2008, and ending December 31, 2010, or .929% for the 148 spaces now subject to the short-form rent increase.

NOW, THEREFORE, BE IT RESOLVED by the Rent Review Board of the City of Escondido, as follows:

1. That the above recitations are true.

2. That the Board has heard and considered all of the reports and testimony presented, and has considered the facts as outlined in the Mobilehome Rent Review Board Guidelines ("Guidelines").

3. That following the Guidelines, an increase based on 50% of the change in the Consumer Price Index (CPI) for San Diego County from December 31, 2008, through December 31, 2010, would amount to .929%, which averages \$5.07 per space, per month, for the 148 spaces subject to the rent increase request.

4. That the Board concluded an increase of \$5.07 per space, per month, is consistent with the Guidelines, and is fair, just, and a reasonable increase in light of the information presented by all parties.

5. That the increase may not be implemented until after the public accommodation issues related to accessing the Park Clubhouse have been corrected and are in compliance with State Law.

6. That the increase may be implemented upon the expiration of the required 90-day notice to the residents, effective on or after July 13, 2011, the date of Council decision.

**CITY COUNCIL**

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 16**

**Date: August 10, 2011**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Barbara J. Redlitz, Director of Community Development  
**SUBJECT:** Request for Extension of Time and Fee Waiver for the Talk of the Town Carwash Project 2004-66-CUP (PHG 11-0015)

**STAFF RECOMMENDATION:**

It is requested that Council adopt Resolution No. 2011-75 approving the requested one-year extension of time for the Talk of the Town Conditional Use Permit 2004-66-CUP.

**PLANNING COMMISSION RECOMMENDATION:**

The proposed extension of time request has not been reviewed by the Planning Commission as the City Council was the original approval body for the Conditional Use Permit. Similarly, the request for a waiver of fees can only be granted by the City Council.

**PROJECT DESCRIPTION:**

A request for a one-year extension of time for the previously approved Conditional Use Permit for the "Talk of the Town" carwash, oil change and restaurant project on the northwestern corner of Centre City Parkway and Brotherton Road, and an associated request for a waiver of the Utility Undergrounding Waiver Fee.

**LOCATION:**

The site is on the northwestern corner of the intersection of Brotherton Road and Centre City Parkway, addressed as 400 Brotherton Road.

**FISCAL ANALYSIS:**

Section 23-47 of the Escondido Municipal Code requires development projects to underground all utility distribution facilities. Section 23-48 allows the payment of an undergrounding in lieu fee when a waiver of the undergrounding requirement is granted by the city. Payment of the waiver fee is mandatory in those cases. The amount of the waiver fee is based on the lineal footage of utilities that would otherwise have to be undergrounded. The Engineering Division has determined the undergrounding of existing overhead utilities for the Talk of the Town project is not feasible and that the project is eligible to pay the waiver fee of \$72,500 (\$290 per lineal foot for 250 feet of overhead



utilities). The applicant has informed staff that the cumulative burden of the city's fees could make the project infeasible to build, and is requesting to be relieved of the underground waiver fee. The fiscal impact of granting the request would be the loss of \$72,500 in fees apportioned for 20B Funds that are used for utility undergrounding projects throughout the city.

#### ENVIRONMENTAL REVIEW:

A Revised Mitigated Negative Declaration, City Log No. ER 2004-33 was issued on December 10, 2009. Mitigation measures were developed to reduce potential land use, transportation/traffic, air quality and noise impacts to a less than significant level. Pursuant to CEQA Section 15162, no additional environmental review need be prepared for the proposed extension of time since there are no substantial changes in the project that require major revisions to the previous environmental document due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

#### PREVIOUS ACTION:

The City Council approved a Conditional Use Permit for the Talk of the Town carwash/restaurant project and a related amendment to the South Escondido Boulevard Area Plan on May 26, 2010, by a vote of 4-1 (Councilmember Diaz opposed).

On October 13, 2010, the City Council unanimously approved a modification of Condition No. 24 to allow the required separation wall to be constructed off-site on the residential properties at the top of the slope. This would require a negotiated agreement between all the adjacent homeowners and the applicant. The condition does not require the applicant to install the wall at the top of the slope because the applicant has no control over those residential properties. The condition only requires the payment of funds for a wall on the residential properties if the residents and applicant can agree to price and terms. Otherwise, the wall can be constructed on the applicant's property at the bottom of the slope as required by the Zoning Code. While negotiations on the wall payment have been ongoing since that time, it appears that an agreement has not been finalized.

#### BACKGROUND:

On May 26, 2010, the City Council approved the Conditional Use Permit for the Talk of the Town carwash project. The conditions of approval note the CUP must be utilized within one year. The applicant has been processing grading and building permits and has the building plans to a point where a permit can nearly be issued. He has been held up by his challenges to fee and bond amounts and the requirement to redesign the grading plan to meet new hydromodification requirements.

On April 21, 2011, the applicant filed a request for a one-year extension of time. Expiration of the CUP has been stayed until Council takes action on the extension request. The applicant also recently requested a fee waiver to make the project economically feasible. On July 11, 2011, the Council Economic Development Subcommittee expressed support for the requested waiver of the Utility Undergrounding Waiver Fee in the amount of \$72,500.

DISCUSSION:

Since the date of the original approval in May of 2010, the applicant's engineer and architect have been diligently pursuing grading and building permit approvals; and staff has conducted several rounds of plan checks on both permit applications. Extensions of time for development entitlements are commonly granted by both the Planning Commission and City Council when it can be demonstrated that the applicant has not abandoned the project, has been diligently pursuing grading and/or building permits, and there are no substantial changes to the project or site circumstances. In this case, the applicant has been continuously processing grading and building permits, there have been no changes to the circumstances of the site, the applicant is not proposing any substantial changes to the previously approved project, and no additional conditions of approval are proposed. Therefore, staff is recommending approval of the one-year extension of time for the Conditional Use Permit.

Permits were nearly ready to issue last May when the applicant objected to the fee and bond amounts. It was estimated then that building permit fees for the two buildings would be approximately \$120,000. Grading permit fees were estimated to be approximately \$79,000, with \$72,500 of that amount being the underground waiver fee. Grading, erosion control, and street and utility improvement bonds and cash deposits totaled approximately \$236,000. This resulted in a total bond and fee amount of approximately \$435,000. The applicant has suggested a waiver of the \$72,500 undergrounding fee is necessary to make the project economically feasible. Authority to waive development fees rests solely with the City Council. The last time Council granted a waiver of the undergrounding fees appears to have occurred on April 5, 2006. At that time, three projects with fees ranging from \$39,000 to \$57,720 received Council approval to waive their undergrounding fees.

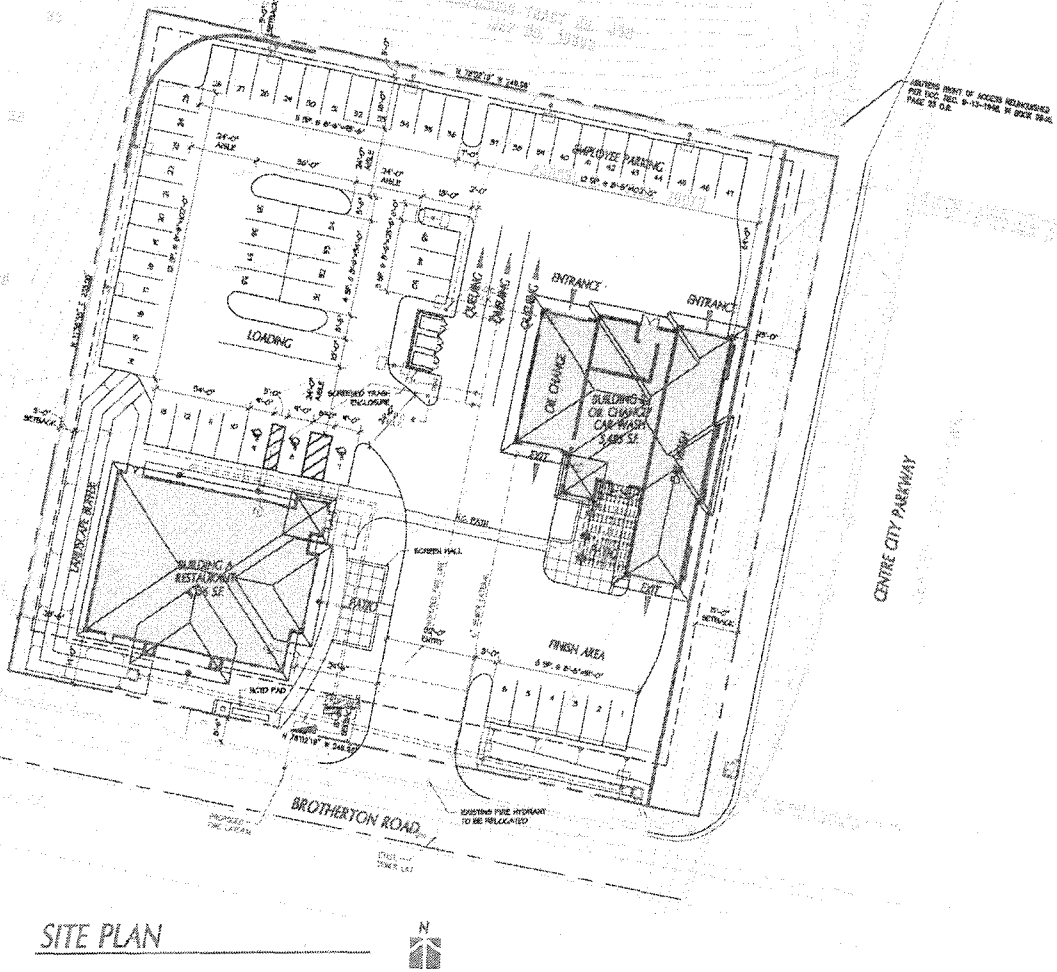
Respectfully Submitted,



*for* Barbara J. Redlitz  
Director of Community Development



Bill Martin  
Principal Planner



**PROPOSED PROJECT  
2004-66-CUP/2004-02-AZ**



SITE PLAN

The original May 26, 2010, City Council staff report containing all graphics, project specifications, and discussion of technical issues can be accessed on the City of Escondido website at the very bottom of the Planning Division page or at the following web address:

<http://www.escondido.org/Data/Sites/1/pdfs/Planning/Talk/CCStaffReport052610.pdf>



Edward N. Domingue  
Director of Engineering Services  
201 North Broadway, Escondido, CA 92025  
Phone: 760-839-4651 Fax: 760-839-4597

April 14, 2011

Munther Ghazal  
3020 Hoover Avenue  
National City, CA. 91950

Subject and File: Talk of the Town – 400 Brotherton Rd. Bond and Fee Amounts

Dear Mr. Ghazal,

The Engineering Department has reviewed the plans and the Engineer's cost estimate for the grading, erosion control, and the street & utility improvements required of your Talk of the Town project located at 400 Brotherton Rd. and has determined that grading and improvement security and fees in the following amounts are required:

**GRADING and IMPROVEMENT SECURITY**

1. Grading & Erosion Control Cash Deposit	\$22,714
2. Monumentation and Record of Survey Cash Deposit	\$5,000
3. Faithful Performance Bond	\$130,450
4. Labor and Materials Bond	\$65,225
5. Guarantee and Warranty Bond	\$13,045
6. Improvement Agreement (signed & notarized)	

Improvement security shall be posted using the attached bond forms or another alternate form of security approved by the City Attorney's office. All signatures must be notarized.

**PLAN CHECK and UG WAIVER FEES**

1. Grading & Erosion Control plan check and inspection fee balance	\$4,265
2. Improvement plan check and inspection fee balance	\$1,500
3. Grading plan imaging fee	\$78
4. Improvement plan imaging fee	\$114
5. Street Light Energy fee	\$975
5. Under-grounding of Overhead Utilities Waiver Fee	\$72,500
<b>Total Engineering Department Fees Due</b>	<b>\$79,432</b>

The required security must be submitted and approved by the City Attorney and fees must be paid, and the Grading Plan approved prior to the release of Building Permits.

The following items must also be submitted prior to approval of the grading and improvement plans:

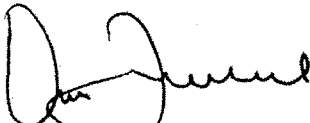
1. The grading plans must be approved by the Planning and Fire Depts.
2. Mylars of grading plans must be submitted and approved by the Engineering Dept.

3. The Utility and Fire Depts. must approve the improvement plans.
4. The Public Waterline easement grant deed document must be signed notarized and recorded before the improvement plans can be approved.
5. When approved by the Utility and Fire Depts., mylars of the improvement plans must be submitted to the Engineering Dept. for signature.

Prior to the start of construction of the street improvements and grading, your contractor will be required to obtain a Grading Permit and Encroachment Permit from the Engineering Field Office and schedule a preconstruction meeting. A Traffic Control Plan will need to be submitted to and approved by the Engineering Field Office prior to issuance of the Encroachment Permit.

This letter will be invalid if the securities and fees are not posted within six months from the date of this letter. If you have any additional questions, please feel free to contact me at 839-4087.

Sincerely,



Owen Tunnell  
Office Engineer

# Fee Estimate

## CITY OF ESCONDIDO BUILDING DIVISION

201 N. BROADWAY, ESCONDIDO, CA 92025-2798 (760) 839-4647

Received By: \_\_\_\_\_ Site Address  
Permit Type: NEWCOMMERCIAL 400 BROTHERTON RD  
Subtype: STORES/MERCHANTILE  
Description: SHELL RESTAURANT BUILDING 4156SF "TALK OF THE TOWN" 4156SF  
Permit Number B10-1693

Fee Description	Account	Amount
ART IN PUBLIC PLACES FEE	AIPP	706.80
BUILDING FEE <W/ENERGY & ACCES	BLDG	1,741.35
CALIF GREEN BUILDING	CGBF	12.00
DRAINAGE FACILITIES FEE	STRM	2,909.20
ELECTRICAL FEES -SFD	ELEC	93.00
PAID ✓ FIRE DEPT PLAN REVIEW FEE	FPCI	275.00
MICROFILMING FEE	MICR	110.00
PAID ✓ PLAN CHECK FEE <W/ACCESS>	BDPL	852.64
PUBLIC FACILITY FEE	PUBF	8,852.28
SMIP COMMERCIAL	SMP2	62.84
TRAFFIC RESTAURANTS	TRIM	17,455.20
* WASTEWATER CONNECTION COMMERCI (MN)	SWRD	7,500.00
WATER CONNECTION FEE	WTCN	15,640.00
PLAN CHECK FEE <W/ENERGY & ACC	BDPL	1,131.88
PLUMBING FEES	PLUM	65.00

**TOTAL FEES: 57,407.19**

PAID \$ 1,127.64

DUE \$ 56,279.55

\* SHELL RESTAURANT PAID EQUIVALENT OF ONE EDU AS  
MINIMUM FEE ; FINAL FEE TO BE DETERMINED BASED ON NUMBER OF SEATS  
(SEE ATTACHED "CONNECTION AND REGIONAL FEE SCHEDULE")

### Fee Estimate

## CITY OF ESCONDIDO BUILDING DIVISION

201 N. BROADWAY, ESCONDIDO, CA 92025-2798 (760) 839-4647

Received By: \_\_\_\_\_ Site Address  
Permit Type: NEWCOMMERCIAL 400 BROTHERTON RD  
Subtype: SERV STA/REPAIR GAR  
Description: NEW AUTO SERV BLDG /CAR WASH/ RETAIL/ OFC 5922SF  
Permit Number B10-1692

Fee Description	Account	Amount
ART IN PUBLIC PLACES FEE	AIPP	1,236.60
BUILDING FEE <W/ENERGY & ACCES	BLDG	1,791.40
CALIF GREEN BUILDING	CGBF	13.00
DRAINAGE FACILITIES FEE	STRM	4,145.40
ELECTRICAL FEES -SFD	ELEC	256.00
PAID ✓ FIRE DEPT PLAN REVIEW FEE	FPCI	275.00
MECHANICAL FEES	MECH	90.50
MICROFILMING FEE	MICR	110.00
PAID ✓ PLAN CHECK FEE <W/ENERGY & ACC	BDPL	1,164.41
PAID ✓ PLANNING- PLAN REVIEW FEE -	PLAN	1,100.00
PLUMBING FEES	PLUM	129.50
PUBLIC FACILITY FEE	PUBF	12,613.86
SMIP COMMERCIAL	SMP2	65.17
TRAFFIC AUTOMOTIVE	TRIM	4,974.48
WASTEWATER CONNECTION COMMERCIAL	SWRD	7,580.16
WATER CONNECTION FEE	WTCN	25,340.00

**TOTAL FEES: 60,885.48**

PAID \$ 2,539.41

DUE \$ 58,346.07



**CONNECTION AND REGIONAL FEE SCHEDULE**

**HIGH USE/SPECIAL USE (Fee Per Seat unless otherwise noted)**

	<u>WATER CONNECTION</u>	<u>*WASTEWATER CONNECTION</u> (PER SEAT)
Full Service Restaurant.....		\$436.00
Family Restaurant .....	See schedule	391.00
Cafe.....	on page 19	329.00
Specialty Restaurant (china service).....	(based on water	256.00
Pizza (paper service).....	meter size)	211.00
Deli .....		211.00
Fast Food (paper service) .....		540.00
Donut/Ice Cream/Specialty Shops .....		256.00
Bars/Pubs/Lounges .....		436.00
Theaters .....		45.00
Assembly: General.....		45.00
Church/Sanctuary.....		15.00
Day Care/School (no cafeteria or gym) ...		346.00/student
Day Care, School with Gym/Showers .....		495.00/student
Laundry.....		5,371.00/machine <sup>3</sup>
Supermarket.....		0.87/sq. ft.
Convenience Market .....		1.70/sq. ft.
Convenience Market (with Deli) .....		2.11/sq. ft.
Laundry for Apts./Condos.....		-0-
Car Wash:		
Self-Serve .....		17,129.00/bay
Automatic .....		157,618.00/site

\* The minimum fee for new building construction is 1 EDU - \$7,500

**NOTE:**

1. High use facilities not listed will be determined on an individual basis.
2. Car wash fees may be adjusted if recycle system is installed.
3. Calculation of fees for Laundromats based on EDU's in addition to per-machine rate.

## Bill Martin

---

**From:** Linda Bailey <linda@communitystrategiesgroup.com>  
**Sent:** Thursday, July 28, 2011 8:36 AM  
**To:** mariewaldron@yahoo.com; 'Sam Abed'; 'ed gallo'; Michael Morasco; Olga Diaz  
**Cc:** Clay Phillips; Charles Grimm; Bill Martin; Barbara Redlitz  
**Subject:** Talk of the Town Wall

Dear Mayor Abed and Council Members,

I understand there has been some correspondence from the Talk of the Town neighbors indicating that Mr. Ghazal has not been negotiating in good faith regarding the wall on their property. With his CUP extension coming before you on August 10, I would like to share with you what Mr. Ghazal has done starting on May 27, 2010. Forgive the length of the email, but it will clearly show you the intent of Mr. Ghazal to please the neighbors as well as meet the intent of the City Council.

- 1) On May 27, 2010, Mr. Ghazal asked me to continue working with the neighbors to get their agreement on a wall. At that time we were told to work through the Homeowner's Association and were to have an agreement by July 30. When July 30 came they asked for another 30 days so Mr. Ghazal agreed. At the end of that time the HOA decided they did not want to be a party in the negotiation and turned it over to the homeowners.
- 2) In September and October the neighbors came to the City Council hearing voicing their concerns about the previous negotiations. Mr. Ghazal agreed to work with the neighbors and to remove the HOA from the agreement.
- 3) In October and November I received 4 estimates from contractors ranging from \$30,000 - \$75,000. The neighbors' representative, Marc Lawrence, did the same. After comparing the estimates it was determined that we would use the contractor that the neighbors wanted at a bid of \$71,500. It is important to note that Mr. Ghazal could have pushed to use one of the lesser quotes as all of the quotes were based on the same criteria.
- 4) For the next few weeks Mr. Robert Daniels, working on behalf of Mr. Ghazal, and Dare Delano, working on behalf of the neighbors negotiated an agreement.
- 5) On January 10, 2011 there was a meeting at Mr. Daniels' office attended by Marc Lawrence, Ms. Delano, Mr. Ghazal, Mr. Daniels, and me. Final negotiations took place and an agreement was met by all. At this meeting, with all present Mr. Ghazal signed this agreement and Mr. Lawrence took this agreement to distribute to the neighbors.
- 6) After the neighbors received this agreement they were not comfortable with the terminology "mutual release and settlement" and asked for it to be removed from the agreement. Mr. Ghazal felt that this was crucial terminology as it protects him and the City from future claims. He did not authorize the change. Without his authorization the "mutual release and settlement" was removed and a couple of other clean up items were done and the new agreement was distributed to the neighbors.
- 7) In March we still had not received a signed agreement so Mr. Daniels sent a letter to Ms. Delano asking that we have it back by March 30. When all the neighbors signed and returned this agreement they said they needed Mr. Ghazal's signature. Mr. Ghazal said he had signed in January. When he reviewed the agreement he noticed the removal of the "mutual release and settlement" from the document that was agreed upon in January.
- 8) Instead of saying that he was done and would build the wall on his property since the neighbors did not act in good faith, he asked me once again to try and get the neighbors signature on the original agreement, which did not happen.
- 9) Now we are in July with a hearing on the extension of his CUP up for August 10. On July 15, Mr. Ghazal signed and notarized an agreement that included his "mutual release and settlement" terminology and also all of the other requests from the neighbors. He has given them until Monday, August 1 to sign. At this point only 3 of the 10 homeowners have signed and notarized.
- 10) A neighbor told Bill Martin that they would come to the August 10 hearing to try and stop the project because Mr. Ghazal has not negotiated in good faith.

- 11) As an active participant in all of this procedure I am telling you that I feel that Mr. Ghazal has only the best of intentions of following through with this agreement. He has agreed to giving them access across his property for 60 days to have the wall built, He has removed any other language that made the neighbors uncomfortable. All he is asking is for the terminology Mutual Release and Settlement be added in the title of the agreement. It seems to us that we are not the ones that are not negotiating in good faith.
- 12) These negotiations have not always gone smoothly on either side with some resistance coming from both sides. Some of the neighbors believe that they can stop this project by rejecting this proposal and have been very rude in their response to Mr. Ghazal and me. This is a very expensive project for Mr. Ghazal already so additional \$ is not always accepted gracefully.

It is my understanding from the conditions of approval that a failure to reach an agreement with the neighbors does not stop the project, but only means that the wall will have to be built on the Talk of the Town property where originally planned. That is not what Mr. Ghazal wants to happen. He hopes to reach an agreement with the neighbors with the document that is being circulated at this time. I think if the neighbors understand that a failure to reach an agreement on this wall only means that they don't benefit from a wall, not that the project will be stopped, will perhaps make them agree to sign.

Mr. Ghazal and I would like to meet with each of you prior to the August 10 hearing. I have contacted Robin Ekblad who is on vacation until August 3. Please let me know if you are available to meet.

Thanks for your time and please feel free to contact me by email or phone if you have any questions.

Best regards,  
Linda

Linda Bailey, President  
Community Strategies Group, Inc.  
1108 Rosehill Court  
Escondido, CA 92025  
760.445.1323  
[www.communitystrategiesgroup.com](http://www.communitystrategiesgroup.com)  
[linda@communitystrategiesgroup.com](mailto:linda@communitystrategiesgroup.com)

## Bill Martin

---

**From:** eric eaton <tuncas2001@yahoo.com>  
**Sent:** Monday, August 01, 2011 1:56 PM  
**To:** Bill Martin  
**Subject:** Talk of the Town Carwash Project

Hello Bill,

My name is Eric Eaton. I own the home at 445 Cara St. and am one of the ten homeowners involved in negotiation with Mr. Ghazal over his proposed project.

This email is in response to an email originally sent to you by Linda Bailey, and forwarded to me by Kimber Allison. I wanted to address specifically, point number 6 of Linda's email. She explained that Mr. Ghazal signed an agreement which was then changed, without Mr. Ghazal's approval, before being given to the homeowners to sign. It appears true that the version signed by the homeowners is not the same version Mr. Ghazal signed. It should be known however, that the changes were made by his attorney, Mr. Daniels, representing Mr. Ghazal, and given to myself to sign in the office of Mr. Daniels. I do not know if the contract mix up was a strategic effort to stall and create discourse among the homeowners, or an honest mistake but the fact remains that I signed a contract physically handed to me by someone legally representing Mr. Ghazal. All ten homeowners signed that version of the contract and we were ready to move on until Mr. Ghazal decided he would not sign that version. In light of this, I would think that it is obvious that the homeowners were negotiating in good faith, and it is Mr. Ghazal and his council that is not.

Sincerely,

Eric Eaton

## Bill Martin

---

**From:** Rex Little <rlittle-atsf@sbcglobal.net>  
**Sent:** Monday, August 01, 2011 2:17 PM  
**To:** Bill Martin; boomstop@cox.net  
**Cc:** Sam Abed; Marie Waldron; Ed Gallo; Olga Diaz; Michael Morasco; Gayle Lebedda; David Garrick  
**Subject:** Re: Talk of the Town Wall

Bill,  
Thanks for the information.  
I've been an opponent of this project from the beginning and remain the same today. I've not been involved in the wall fiasco but not surprised in any way that it has been a bumpy road. The project, from the beginning as well as today and tomorrow, remains wrong for that location. The harm that will be inflicted by this project on the adjacent properties, as well as the entire neighborhood, will be considerable and will likely have a very negative effect on property values and on the ability of owners to sell properties. As stated the project will go forward. This is truly unfortunate. The project will be a thorn in the side of the neighborhood forever and a monument to faulty thinking on the part of the City of Escondido and the Council that approved it.  
I've very much appreciated the cooperation and help from you, Bill.  
Again, thanks.  
Rex

---

**From:** Bill Martin <Bmartin@ci.escondido.ca.us>  
**To:** "boomstop@cox.net" <boomstop@cox.net>; "Rex Little (rlittle-atsf@sbcglobal.net)" <rlittle-atsf@sbcglobal.net>  
**Sent:** Mon, August 1, 2011 10:21:37 AM  
**Subject:** FW: Talk of the Town Wall

Per your request, here is a message we received last week.

Bill

---

**From:** Linda Bailey [mailto:linda@communitystrategiesgroup.com]  
**Sent:** Thursday, July 28, 2011 8:36 AM  
**To:** mariewaldron@yahoo.com; 'Sam Abed'; 'ed gallo'; Michael Morasco; Olga Diaz  
**Cc:** Clay Phillips; Charles Grimm; Bill Martin; Barbara Redlitz  
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it was determined that we would use the contractor that the neighbors wanted at a bid of \$71,500. It is important to note that Mr. Ghazal could have pushed to use one of the lesser quotes as all of the quotes were based on the same criteria.

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- 12) These negotiations have not always gone smoothly on either side with some resistance coming from both sides. Some of the neighbors believe that they can stop this project by rejecting this proposal and have been very rude in their response to Mr. Ghazal and me. This is a very expensive project for Mr. Ghazal already so additional \$ is not always accepted gracefully.

It is my understanding from the conditions of approval that a failure to reach an agreement with the neighbors does not stop the project, but only means that the wall will have to be built on the Talk of the Town property where originally planned. That is not what Mr. Ghazal wants to happen. He hopes to reach an agreement with the neighbors with the document that is being circulated at this time. I think if the neighbors understand that a failure to reach an agreement on this wall only means that they don't benefit from a wall, not that the project will be stopped, will perhaps make them agree to sign.

Mr. Ghazal and I would like to meet with each of you prior to the August 10 hearing. I have contacted Robin Ekblad who is on vacation until August 3. Please let me know if you are available to meet.

Thanks for your time and please feel free to contact me by email or phone if you have any questions.

Best regards,  
Linda

Linda Bailey, President  
Community Strategies Group, Inc.  
1108 Rosehill Court

Escondido, CA 92025  
760.445.1323  
[www.communitystrategiesgroup.com](http://www.communitystrategiesgroup.com)  
[linda@communitystrategiesgroup.com](mailto:linda@communitystrategiesgroup.com)

## Bill Martin

---

**From:** Kimber Allison <boomstop@cox.net>  
**Sent:** Monday, August 01, 2011 2:11 PM  
**To:** Bill Martin  
**Subject:** Fwd: Agreement Between Talk of the Town, LLC and Neighbors  
**Attachments:** Letter\_from\_Daniels[1].pdf; ATT00001.htm; E-mails re Final Changes to Agreement.pdf; ATT00002.htm; TW Edits to Agreement 011211.pdf; ATT00003.htm; Daniels\_Letter\_re\_signatures 031511.pdf; ATT00004.htm

Please make sure you include this email from Tracy into the council packet. Thank you. Kimber Allison

Begin forwarded message:

**From:** "Tracey & Dave Wilson" <traceyanddave@gmail.com>  
**Date:** August 1, 2011 12:08:44 PM PDT  
**To:** Kimber Allison <boomstop@cox.net>  
**Subject:** Fwd: Agreement Between Talk of the Town, LLC and Neighbors

This went to Bill Martin and included a request to have the issues addressed at the council meeting.

----- Forwarded message -----

**From:** Tracey & Dave Wilson <traceyanddave@gmail.com>  
**Date:** Mon, Jul 11, 2011 at 6:09 PM  
**Subject:** Agreement Between Talk of the Town, LLC and Neighbors  
**To:** CEO Marc Lawrence <mlawrence@progressivemed.com>, Kimber Allison <boomstop@cox.net>, Gayle Lebedda <Gayle.Lebedda@watkinsmfg.com>, Kyle Kruger <kyle@lindsaymgt.com>, Jose Amador Amador <jamador@cox.net>, Brian Chesebro <bchesebro@comcast.net>, Eric Eaton eaton <tuncas2001@yahoo.com>, Chris Wickersham <wickersham1@cox.net>, "M. Dare DeLano" <daredelano@yahoo.com>, Ellen Genoves <bgenoves@cox.net>, Joegraziano0808@gmail.com, bmartin@escondido.org, sabed@ci.escondido.ca.us, Linda Bailey <baileylinda@cox.net>, odiaz@ci.escondido.ca.us

To all concerned:

Despite the best efforts of the impacted Neighbors to work with the developer, Talk of the Town, LLC/Munther Ghazal, it appears that the developer of the car wash project refuses to negotiate in good faith.

As stated previously, the Agreement signed by Ghazal is invalid as it was never fully executed. Drafted by his attorney, the agreement requires notarization of all signatures, including his own. No notarization was provided and the notarization may not be provided after the fact. Additionally, the Neighbors were not provided an opportunity to review the version Ghazal signed until it was received with Ghazal's signature and without notarization. The Neighbors never agreed that the version Ghazal signed was final and the Neighbors did not execute that version of the document.

Minor edits were requested by the Neighbors, due primarily to inconsistent drafting of the Agreement by Ghazal's counsel. The phrase "Mutual Release & Settlement" was removed by Ghazal's attorney, Robert Daniels per the attached due to inconsistent language in the body of the Agreement. If Attorney Daniels did not

have Ghazal's authorization to send out the final version entitled "Agreement" to the Neighbors, it never should have been distributed. If that is the case, however, it is a problem between Ghazal and his attorney as it was represented to the Neighbors, that Attorney Daniels was serving as counsel to the developer.

Regardless, in light of the letter received from Attorney Daniels to Attorney Dare Delano dated March 8, 2011 (attached), it appears that Ghazal was in agreement with the language in the Agreement as he requested his attorney place a deadline on the return of same by all Neighbors by March 31, 2011. The letter notes that some of the Agreements had been received by the time this letter was drafted and Ghazal was requesting that the balance be furnished. Further, a follow up letter from Attorney Daniels dated March 15, 2011 (attached) indicated that he was awaiting signed agreements from several of the impacted Neighbors. The letter also detailed the need for the Neighbors to have their signatures notarized; ironically, the same request the Neighbors have made of the developer per the terms of the agreement drafted by the developers' attorney.

The Neighbors have made every reasonable attempt to work with Ghazal and his legal counsel. The Neighbors have been forced to expend both time and money to insure an equitable agreement was drafted. Our Homeowner's Association has also devoted countless hours and some of its limited resources to appease the developer. This issue has been brought before the City Council more times than anyone wishes to recall and I understand that it will appear on the agenda again in the near future. When it does, I expect the issues raised in this correspondence to be addressed by Council as I do not live locally and will not be attending the meeting. Ghazal continues to work against the wishes of the City by not negotiating in good faith with the neighbors to fund the construction of a separation wall per the Conditional Use Permit.

All of the Neighbors properly signed and notarized the final version of the agreement as requested. Since Ghazal has waited so long to properly execute the final agreement, one of the Neighbors has since sold his home. Due to the delay caused by Ghazal, an amendment to the agreement will need to be made to include the new owner of that property.

It is time for the developer to take responsibility, execute the final agreement, pay the Settlement Sum and move on with his project. Otherwise, I am asking the City Council to deny any application from the developer to extend the Conditional Use Permits.

Please contact me with any questions.

Best regards,

Tracey Wilson  
(951) 830-7699

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Tracey

*"Life shrinks or expands in proportion to one's courage." ~Anais Nin*





Robert M. Daniels, Esq.  
960 Canterbury Place, Suite 110  
Escondido, CA 92025  
760.781.3464 *Tel* | 760.755.1318 *Fax*  
robert@sdplaw.com

**March 8, 2011**

M Dare Fuller DeLano, Esq.  
LAW OFFICES OF EVERETT L. DELANO  
220 West Grand Avenue  
Escondido, CA 92025

**Re: Talk of the Town, LLC**

Dear Ms. DeLano,

Nearly three weeks ago, I expressed my concern that the majority of your clients had not signed the separation wall agreement. Since I haven't received a response to my letter – nor any further signatures on the agreement – my client has asked that I impose a fair and reasonable deadline to conclude this transaction. Accordingly, please be advised the agreement must be fully executed by **5:00 p.m. on March 31, 2011**. That means that all record-title owners, including spouses on title, must deliver their original signatures, duly notarized in conformity with Civil Code § 1189, to my office by this time (note our new suite number).

If any of your clients cannot comply with this deadline, but want to execute the agreement nonetheless, please advise. We will make reasonable exceptions to accommodate those that are out of town, ill or otherwise unavailable this month. Furthermore, our offer to notarize all of your clients' signatures for free remains on the table. If necessary, we're happy to travel to your clients' home, or make after-hours arrangements for a notary if someone cannot come to our office during normal business hours.

Thank you for your continued assistance and cooperation with this matter. Should any questions arise, please do not hesitate to contact me.

Very truly yours,

Robert M. Daniels, Esq.



Tracey Wilson <traceyanddave@gmail.com>

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**thanks**

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**Marc Lawrence, CEO** <mlawrence@progressivemed.com>

Thu, Jan 13, 2011 at 11:02 AM

To: "Robert M. Daniels" <robert@sdplaw.com>

Thank you Robert

**Marc Lawrence**

President, CEO

2460 Ash Street

Vista, CA 92081



Phone: 800-764-0636 ext. 2211

Direct Dial: 760 597-5510

Direct Fax: 760-597-5502

mailto: mlawrence@progressivemed.com

Web: http://www.ProgressiveMed.com

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**From:** Robert M. Daniels [mailto:robert@sdplaw.com]

**Sent:** Thursday, January 13, 2011 10:59 AM

**To:** Marc Lawrence, CEO

**Subject:** RE: thanks

Marc,

If I delete the words "MUTUAL RELEASE AND SETTLEMENT" from line 1, it will just be referred to as an agreement. I will have Mr. Ghazal to re-execute and notarize the agreement, and I will personally initial each page as well.

Will that suffice?



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**From:** Marc Lawrence, CEO [mailto:[mlawrence@progressivemed.com](mailto:mlawrence@progressivemed.com)]  
**Sent:** Thursday, January 13, 2011 8:33 AM  
**To:** Robert Daniels  
**Subject:** thanks

Hi Robert.

I wanted to thank you for moving the negotiations forward between Mr. Ghazal and the homeowners. Two of the homeowners pointed the following items out. Can you elaborate on how sensitive these items are in the scope of the agreement? I know it is a challenge to get Mr. Ghazal to resign, can we get assurances from you in writing that the following items will not impact the negotiations?

Item #33 requires that all parties need to have their signatures notarized--including the Developer's--for the Agreement to be valid. He will need to submit an executed Agreement and notarization to the Homeowners for the document to be valid. Also, I don't know if the Homeowners all realize that they need to have their signatures notarized.

Item #34 requires your initials on each page prior to the presentation of the Agreement to the Neighbors.

Also, Item #21 identifies this document as "Memorandum of Agreement" whereas the document was retitled

as "The Mutual Release and Settlement Agreement".

**Marc Lawrence**

President, CEO

2460 Ash Street

Vista, CA 92081



Phone: 800-764-0636 ext. 2211

Direct Dial: 760 597-5510

Direct Fax: 760-597-5502

mailto: [mlawrence@progressivemed.com](mailto:mlawrence@progressivemed.com)

Web: <http://www.ProgressiveMed.com>

1 Dear Council members:

2 This is meant to be a quick way for you to read the details of the talking points made by Mrs. Bailey and then read my  
3 rebuttal. It is in my rebuttals that the true details are included that when left out, paint a different pictures than what  
4 Mr. Ghazal's team wants you to envision. The words written in black are the words of Linda Bailey and the ones in red  
are mine. It appears that the spin is in favor of the developer, but the details I have included can be substantiated from  
the some 760 emails that I currently hold in my email folder specifically for carwash correspondence.

5 It is time to kill this project and restore peace to the New Tradition neighborhood and restore peace to the lives of the  
6 neighbors. It has been a long, long drawn out process since Ed Gallo and Tom D'Agosta granted a Zone Code Initiation  
Request to this developer so many years ago. We are now in year 8 that this project has gone through so many changes  
7 and permutations all to win approval of the city, but not to appease the neighbors. The developer has stated that he  
cares about his neighbors, but only as potential customers. To the neighbors he has issued threats of developing his  
8 property in ways that he believed to be more disruptive than a carwash. Once again, the project may undergo another  
change, which is the addition of a driveway between the restaurant building and the adjacent residential property.

9 I cannot wonder how much longer it will take to complete this project and if, when finished, will send sound and light  
10 into my living space as does the existing restaurant across Centre City Parkway from my neighborhood. I wonder if  
there are as many problems with noise on the carwash site, will the city have as much trouble controlling it. I wonder if  
11 I will be able to hear the sounds of carwash equipment and feel the sense of relief when it is shut down after dusk when  
my ears no longer react to the sounds from the day.

12 I want my city government to reject the applicants request to extend the application because I cannot spend another  
13 day, week, month or year of my life dealing with contracts for a wall that may never be built or that only will get finished  
if I have to kick in money that I really need to pay to a creditor or to buy clothes for my child. I want my government to  
14 protect my family from a developer who has acted like a spoiled child waiving dollar bills in the faces of my  
representatives who wish only to grow the city's economy and bring development and jobs. The opportunity cost on  
15 this project is too great!!! It has pitted neighbor against neighbor, husband against wife, and has made this city council  
look like their votes are for sale.

16 Please end this project now, this last chance to restore a neighborhood's dignity and preserve the quiet enjoyment of  
17 each and every resident occupying each and every home. To allow this project to move forward in light of all of the  
Special Problems it has caused the residential users over the course of 8 years and the potential Special Problems once  
18 it is built and out into operation.

19 I was at peace with the building of the wall to replace my hand built wood fence, but then after checking the settlement  
20 amount with other contractors while searching for a contractor who would build a prettier wall, I learned that a  
legitimate bid by a contractor that was sought by the developer's side was discarded as late when this same developers  
21 says that the bids for "\$30k would not pay for materials." Where is the bid for \$75k? I asked for it to check to make  
sure all bids were complete and Mrs. Bailey refused to present the bids. The homeowners only saw one bid and that  
22 was from Marc Lawrence's contractor and it was not all inclusive for the wall construction. Normally, when someone  
contracts to have something built, as the customer they are entitled to see all estimates and select the one that is most  
23 appropriate and complete. There was no transparency in the wall bid process.

24 Please make time to meet with me regarding this project so that I may be able to answer any questions that you have.

25 Sincerely,

26 Kimber Allison  
27 760-644-6646

28 The following is my rebuttal to the comments made by the developer's strategist, Linda Bailey. I have added pertinent  
details that she left out:

1 Dear Mayor Abed and Council Members,

2 I understand there has been some correspondence from the Talk of the Town neighbors indicating that Mr. Ghazal has  
3 not been negotiating in good faith regarding the wall on their property. With his CUP extension coming before you on  
4 August 10, I would like to share with you what Mr. Ghazal has done starting on May 27, 1010. Forgive the length of the  
5 email, but it will clearly show you the intent of Mr. Ghazal to please the neighbors as well as meet the intent of the City  
6 Council.

- 7
- 1) On May 27, 2010, Mr. Ghazal asked me to continue working with the neighbors to get their agreement on a  
8 wall. At that time we were told to work through the Homeowner's Association and were to have an  
9 agreement by July 30. When July 30 came they asked for another 30 days so Mr. Ghazal agreed. At the end of  
10 that time the HOA decided they did not want to be a party in the negotiation and turned it over to the  
11 homeowners.

12

*The Council misspoke as a result of a suggestion made by Bill Martin, who later apologized, and included the  
13 HOA into the conversation without asking if they should or wanted to be included. The homeowners did meet  
14 this 30-day deadline in that they all agreed, in writing, to allow a wall to be built replacing their back fences as  
15 instructed in the council motion. It was the developer who rejected the affirmative response of the  
16 homeowners. When this was approved in May 26, 2010 the developer was insistent that 30 days was ample  
17 time to negotiate the specifics to build a wall. At the meeting the council had erroneously directed the  
18 developer to work with HOA causing delay.*

- 2) In September and October the neighbors came to the City Council hearing voicing their concerns about the  
19 previous negotiations. Mr. Ghazal agreed to work with the neighbors and to remove the HOA from the  
20 agreement.

*Four and a half months after the project was approved, the negotiating parties determined that they must  
21 return to council, as the HOA was included as a party to the negotiations when they had not asked to be. The council  
22 approved the request by the HOA and removed them as a party to the negotiations and directed the developer to work  
23 with the homeowners. When we returned to negotiations it was made clear by Linda Bailey and Mr. Ghazal that Marc  
24 Lawrence represent all ten homeowners and that they refused to negotiate with any other neighbor.*

- 3) In October and November I received 4 estimates from contractors ranging from \$30,000 - \$75,000. The  
25 neighbors' representative, Marc Lawrence, did the same. After comparing the estimates it was determined  
26 that we would use the contractor that the neighbors wanted at a bid of \$71,500. It is important to note that  
27 Mr. Ghazal could have pushed to use one of the lesser quotes as all of the quotes were based on the same  
28 criteria.

*In late October the developer secured wall construction bids ranging from \$30k to \$75. However the homeowners  
29 were informed that the specifics of the bids were for like materials but in later conversations it was revealed  
30 that the bids were not a comparison of like materials. For example the final bids did not include the cost of  
31 water for wall construction, block type or toilet facilities for laborers. Marc Lawrence said he secured two  
32 bids that were in the \$70k range.*

- 4) For the next few weeks Mr. Robert Daniels, working on behalf of Mr. Ghazal, and Dare Delano, working on  
33 behalf of the neighbors negotiated an agreement. Over the next few weeks the negotiating parties reviewed  
34 the bids to agree on final contract. At that time, Mr. Ghazal stated that he was not willing to oversee the  
35 building of the wall and instead wanted to pay a "settlement amount" of \$71,500 to the homeowners for the  
36 construction of the wall. Additionally, he made it clear that the final cost of the wall construction  
37 exceeded the settlement amount that the homeowner would be obligated to pay the difference. Let it be  
38 known that none of the bids included mitigation for any homeowner landscaping losses caused by the  
39 construction of the wall.

- 5) On January 10, 2011 there was a meeting at Mr. Daniels' office attended by Marc Lawrence, Ms. Delano,  
40 Mr. Ghazal, Mr. Daniels, and me. Final negotiations took place and an agreement was met by all. At this

1 meeting, with all present Mr. Ghazal signed this agreement and Mr. Lawrence took this agreement to  
2 distribute to the neighbors.

3 *Finally, after seven (7) months of negotiating and complications an agreement was drafted and Mr. Ghazal*  
4 *signed the agreement for the settlement amount. Marc Lawrence took the signed agreement to the*  
5 *neighbors for their review and signatures.*

- 6 6) After the neighbors received this agreement they were not comfortable with the terminology "mutual  
7 release and settlement" and asked for it to be removed from the agreement.  
8 *Upon receipt of the agreement the homeowners determined that there were some minor changes needed*  
9 *and requested. Marc Lawrence informed Mr. Ghazal's attorney of the suggested changes, Mr. Daniels made*  
10 *the changes and the contract was distributed to the homeowners.*

11 Mr. Ghazal felt that this was crucial terminology as it protects him and the City from future claims. *There is no*  
12 *protection in the contract for the City benefit and the release of liability only protects the developer if the*  
13 *wall fails due to construction defects or if it costs more to build the wall than settlement funds provide. He*  
14 *did not authorize the change. This was between Mr. Ghazal and his attorney and in fact the version of the*  
15 *contract that Ghazal signed was not notarized per the language of the document nor was it signed by Marc*  
16 *Lawrence per the language of the contract. The homeowners were presented with a document that was not*  
17 *executable and was more like a rough draft than a contract ready for notarized signatures. Without his*  
18 *authorization the "mutual release and settlement" was removed and a couple of other clean up items were*  
19 *done and the new agreement was distributed to the neighbors. (The second-generation contract was signed*  
20 *and executed by all 10 homeowners and spouses or co-owners where applicable.)*

- 21 7) In March we still had not received a signed agreement so Mr. Daniels sent a letter to Ms. Delano asking that  
22 we have it back by March 30. When all the neighbors signed and returned this agreement they said they  
23 needed Mr. Ghazal's signature. Mr. Ghazal said he had signed in January. When he reviewed the  
24 agreement he noticed the removal of the "mutual release and settlement" from the document that was  
25 agreed upon in January.

26 *After all 10 homeowners and spouses or co-owners had an opportunity to read and review the new*  
27 *agreement all ten homeowners signed the agreement in the presence of a notary. The signed agreements*  
28 *were returned to Mr. Daniels with the expectation that Mr. Ghazal would execute the agreements.*

- 29 8) Instead of saying that he was done and would build the wall on his property since the neighbors did not act  
30 in good faith, he asked me once again to try and get the neighbors signature on the original agreement,  
31 which did not happen.

32 *Mr. Ghazal's consultant Mrs. Bailey is making unsubstantiated and unfounded statements about our good*  
33 *faith negotiations. Despite the fact that we opposed the development, we certainly do want the wall and*  
34 *have negotiated in good faith. When Mr. Ghazal sought approval of his project emphatically stated that the*  
35 *wall could be negotiated, bid and constructed in a period of 30 days.*

36 *At the time the homeowners thought that the time limit was completely unrealistic and requested four*  
37 *months to a deadline. The council compromised and set a 60-day deadline. It is not the fault of the*  
38 *homeowners that the 60-day deadline was not met. As a matter of fact, it took four months after the date of*  
39 *the project approval before it was realized that the HOA had been erroneously designated as a negotiating*  
40 *party. At which time a council hearing was set with the request that the HOA be removed as a negotiating*  
41 *party and designated the 10 homeowners as the negotiating parties. Bill Martin acknowledged the error and*  
42 *a council meeting was set.*

43 *It is not the fault of the homeowners that it took nearly 5 months to secure bids for the wall construction. It is*  
44 *not he fault of the homeowners that it took 7 months for the developer to get a written agreement to the*

1 homeowners. Upon receipt of the settlement agreement the homeowners responded quickly and returned it  
2 with requested changes. Mr. Ghazal's attorney, Mr. Daniels, made the changes to the agreement and it was  
3 redistributed to the neighbors. Mrs. Bailey states that the neighbors are not acting in good faith, however; it  
is not the fault of the homeowners that Mr. Daniels made changes to the agreement without Mr. Ghazal's  
authorization.

4 It was our understanding that the agreement that we signed was a legitimate document and it was only a  
5 matter of time that the document would be executed. Mrs. Bailey implies that the homeowners are  
6 attempting a last minute "Hail Mary" stating that we refused to sign the agreement. All ten homeowners  
7 have signed the revised version of the agreement complete with notary. Whereas, Mr. Ghazal had not  
8 signed the agreement as the language of the document instructed him to do. He ignored the document  
signed by the ten homeowners and instructed his attorney to revise the version that he had partially signed  
in January and demanded that the homeowners sign his newly revised version. The truth is that Mr. Ghazal  
has come up with a second revised version of which he had only signed on July 15, 2011 and demanded that  
all neighbors sign that document by August 1, 2011.

9 Through all of these months of waiting, and months and months of errors, negotiations and life and holidays,  
10 Mr. Ghazal's travel out of the country he expects all ten homeowners to accept and sign his preferred new  
11 agreement by August 1, a mere two weeks. As it has been for the past eight years, it is at the whim of Mr.  
Ghazal that the lives of the homeowners continue to be disrupted on a daily basis.

12 Mrs. Bailey claims that Mr. Ghazal has the best intentions in mind. Having been an active participation in  
13 this lengthy process I am telling you that I know that Mr. Ghazal does not have the best intentions, as does  
14 Mrs. Bailey who hesitates not to dictate to the homeowners and be very rude in her responses and has been  
15 less than honest during her participation in this process. Mrs. Bailey complains of the very expensive costs of  
this project, yet seems to be oblivious to the expenses forced upon the homeowners. The abuse we have  
taken from this developer and the disruption in our lives.

16 Mercado represented spoke to council to celebrate the completion of the work praising the rebirth of the  
17 neighborhood are the same people who support the carwash project that will negatively impact a  
neighborhood just down the road.

- 18 9) Now we are in July with a hearing on the extension of his CUP up for August 10. On July 15, Mr. Ghazal  
19 signed and notarized an agreement that included his "mutual release and settlement" terminology and also  
20 all of the other requests from the neighbors. He has given them until Monday, August 1 to sign. At this  
21 point only 3 of the 10 homeowners have signed and notarized. Four Months after all homeowners signed,  
22 they ask for all to sign again – not 10 signatures – 16 signatures to be notarized from a emailed document  
23 and the deadline to sign came only a few days before the deadline.
- 24 10) A neighbor told Bill Martin that they would come to the August 10 hearing to try and stop the project  
25 because Mr. Ghazal has not negotiated in good faith. The developer has attempted to subvert the efforts of  
26 the homeowners to cooperate with him in the building of a wall at the top of the slope and he has made  
27 every effort to cause a breakdown in the negotiations for a wall with homeowners including rushing to reach  
a settlement agreement that underfunded the wall construction leaving homeowners fearful that they would  
have to pay additional moneys to have the wall completed if the costs ran over.
- 28 11) As an active participant in all of this procedure I am telling you that I *feel* that Mr. Ghazal has only the best of  
intentions of following through with this agreement. He has agreed to giving them access across his  
property for 60 days to have the wall built, He has removed any other language that made the neighbors  
uncomfortable. All he is asking is for the terminology Mutual Release and Settlement be added in the title of  
the agreement. It seems to us that we are not the ones that are not negotiating in good faith.

In that 60 days, the homeowners asked for a fence to exclude anyone not associated with the wall building project



1 to enter the construction zone, they never responded to the request. This was not included in the bid for the  
2 wall and the homeowners do not know if this will be an additional cost to them or if Mr. Ghazal will erect a  
inclusion/exclusion fence.

3 12) These negotiations have not always gone smoothly on either side with some resistance coming from both  
4 sides. Some of the neighbors believe that they can stop this project by rejecting this proposal and have  
5 been very rude in their response to Mr. Ghazal and me. This is a very expensive project for Mr. Ghazal  
6 already so additional \$ is not always accepted gracefully. *The homeowners have done everything in their  
7 power to not stand in the way of this project since it was approved in May 2010. They have put time, effort  
8 and money into getting an agreement in place so that the project was not held up by their lack of  
9 cooperation. A year and two months later and they are still at the same point they were at when the city  
10 told the developer to work with them in order to do the right thing after receiving approval from the city  
11 council. The homeowners have lived in limbo for 8 years, not knowing if a carwash would be built or not. In  
12 the last year, they have had not been able to make landscaping changes or additions next to their fences or  
13 replace or add fencing until they know that the carwash will get funded or that an agreement can be made  
14 between the developer and themselves. I believe Mrs. Bailey is hearing a lot of frustration and is calling it  
15 rudeness.*

16 It is my understanding from the conditions of approval that a failure to reach an agreement with the neighbors does not  
17 stop the project, but only means that the wall will have to be built on the Talk of the Town property where originally  
18 planned. That is not what Mr. Ghazal wants to happen. He hopes to reach an agreement with the neighbors with the  
19 document that is being circulated at this time. I think if the neighbors understand that a failure to reach an agreement  
20 on this wall only means that they don't benefit from a wall, not that the project will be stopped, will perhaps make them  
21 agree to sign. *(This has been the "plan" all along according to the developer's actions – if not he would have signed the  
22 contract with the owners and it would have been a done deal. Instead of being "ready to go" as Linda Bailey so  
23 confidently told council on May 26, 2010 and Mr. Abed expressed his concerns about "homeowners holding up the  
24 project" in fact it has been only Mr. Ghazal who has held up the project while holding the homeowners hostage for the  
25 EIGHTH YEAR.*

26 Mr. Ghazal and I would like to meet with each of you prior to the August 10 hearing. I have contacted Robin Ekblad who  
27 is on vacation until August 3. Please let me know if you are available to meet. *(Mrs. Allison has also requested meetings  
28 with Councilmember Waldron and Morasco, but has not heard back since her first request was made nearly two weeks  
ago.)*

Thanks for your time and please feel free to contact me by email or phone if you have any questions.

Best regards,  
Linda

Linda Bailey, President  
Community Strategies Group, Inc.  
1108 Rosehill Court  
Escondido, CA 92025  
760.445.1323  
[www.communitystrategiesgroup.com](http://www.communitystrategiesgroup.com)  
[linda@communitystrategiesgroup.com](mailto:linda@communitystrategiesgroup.com)

*(Comments by Kimber Allison 760-644-6646)*

## Bill Martin

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**From:** Gayle Lebedda <Gayle.Lebedda@watkinsmfg.com>  
**Sent:** Tuesday, August 02, 2011 9:22 AM  
**To:** Bill Martin  
**Cc:** Sam Abed; Marie Waldron; Ed Gallo; Olga Diaz; Michael Morasco; David Garrick; Rex Little; boomstop@cox.net  
**Subject:** RE: Talk of the Town Wall

I am in agreement with my fellow homeowners who have responded to Ms. Bailey's email, below. I am finding it ironic that Ms. Bailey and Mr. Ghazal feel that the homeowners are making the project difficult. This project has been going on for eight years, and several times of the course of the project, various homeowners offered to work with Mr. Ghazal to find a mutually agreed upon development that we could live with, but he never took anyone up on that offer. We also provided Bill Martin with a list of suggestions for that parcel that we thought would be successful, yet this, too, led nowhere.

I feel compelled to comment on the statement that the contract the homeowners all signed was changed prior to signature. If it was changed, it was changed by Mr. Ghazal's attorney, prior to being forwarded to the homeowners for signature. This would be an issue for Mr. Ghazal to discuss with his attorney. I fail to see how this is indicative of the homeowners not negotiating in good faith.

Finally, I would like to remind the City Council (and point this out to the new members, who may or may not be aware) that the City Planning Commission voted against this development multiple times, commenting that this is the wrong location for this type of project. The homeowners have presented valid reasons why this project should never have been allowed to go forward, yet the City Council rejected out of hand good sense in favor of profits.

Thank you for your time,  
Gayle Lebedda  
425 Cara St., Escondido

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**From:** Bill Martin <Bmartin@ci.escondido.ca.us>  
**To:** "boomstop@cox.net" <boomstop@cox.net>; "Rex Little (rlittle-atsf@sbcglobal.net)" <rlittle-atsf@sbcglobal.net>  
**Sent:** Mon, August 1, 2011 10:21:37 AM  
**Subject:** FW: Talk of the Town Wall

Per your request, here is a message we received last week.

Bill

---

**From:** Linda Bailey [<mailto:linda@communitystrategiesgroup.com>]  
**Sent:** Thursday, July 28, 2011 8:36 AM  
**To:** [mariewaldron@yahoo.com](mailto:mariewaldron@yahoo.com); 'Sam Abed'; 'ed gallo'; Michael Morasco; Olga Diaz  
**Cc:** Clay Phillips; Charles Grimm; Bill Martin; Barbara Redlitz  
**Subject:** Talk of the Town Wall

Dear Mayor Abed and Council Members,

I understand there has been some correspondence from the Talk of the Town neighbors indicating that Mr. Ghazal has not been negotiating in good faith regarding the wall on their property. With his CUP extension coming before you on August 10, I would like to share with you what Mr. Ghazal has done starting on May 27, 1010. Forgive the length of the email, but it will clearly show you the intent of Mr. Ghazal to please the neighbors as well as meet the intent of the City Council.

- 1) On May 27, 2010, Mr. Ghazal asked me to continue working with the neighbors to get their agreement on a wall. At that time we were told to work through the Homeowner's Association and were

to have an agreement by July 30. When July 30 came they asked for another 30 days so Mr. Ghazal agreed. At the end of that time the HOA decided they did not want to be a party in the negotiation and turned it over to the homeowners.

2) In September and October the neighbors came to the City Council hearing voicing their concerns about the previous negotiations. Mr. Ghazal agreed to work with the neighbors and to remove the HOA from the agreement.

3) In October and November I received 4 estimates from contractors ranging from \$30,000 - \$75,000. The neighbors' representative, Marc Lawrence, did the same. After comparing the estimates it was determined that we would use the contractor that the neighbors wanted at a bid of \$71,500. It is important to note that Mr. Ghazal could have pushed to use one of the lesser quotes as all of the quotes were based on the same criteria.

4) For the next few weeks Mr. Robert Daniels, working on behalf of Mr. Ghazal, and Dare Delano, working on behalf of the neighbors negotiated an agreement.

5) On January 10, 2011 there was a meeting at Mr. Daniels' office attended by Marc Lawrence, Ms. Delano, Mr. Ghazal, Mr. Daniels, and me. Final negotiations took place and an agreement was met by all. At this meeting, with all present Mr. Ghazal signed this agreement and Mr. Lawrence took this agreement to distribute to the neighbors.

6) After the neighbors received this agreement they were not comfortable with the terminology "mutual release and settlement" and asked for it to be removed from the agreement. Mr. Ghazal felt that this was crucial terminology as it protects him and the City from future claims. He did not authorize the change. Without his authorization the "mutual release and settlement" was removed and a couple of other clean up items were done and the new agreement was distributed to the neighbors.

7) In March we still had not received a signed agreement so Mr. Daniels sent a letter to Ms. Delano asking that we have it back by March 30. When all the neighbors signed and returned this agreement they said they needed Mr. Ghazal's signature. Mr. Ghazal said he had signed in January. When he reviewed the agreement he noticed the removal of the "mutual release and settlement" from the document that was agreed upon in January.

8) Instead of saying that he was done and would build the wall on his property since the neighbors did not act in good faith, he asked me once again to try and get the neighbors signature on the original agreement, which did not happen.

9) Now we are in July with a hearing on the extension of his CUP up for August 10. On July 15, Mr. Ghazal signed and notarized an agreement that included his "mutual release and settlement" terminology and also all of the other requests from the neighbors. He has given them until Monday, August 1 to sign. At this point only 3 of the 10 homeowners have signed and notarized.

10) A neighbor told Bill Martin that they would come to the August 10 hearing to try and stop the project because Mr. Ghazal has not negotiated in good faith.

11) As an active participant in all of this procedure I am telling you that I feel that Mr. Ghazal has only the best of intentions of following through with this agreement. He has agreed to giving them access across his property for 60 days to have the wall built, He has removed any other language that made the neighbors uncomfortable. All he is asking is for the terminology Mutual Release and Settlement be added in the title of the agreement. It seems to us that we are not the ones that are not negotiating in good faith.

12) These negotiations have not always gone smoothly on either side with some resistance coming from both sides. Some of the neighbors believe that they can stop this project by rejecting this proposal and have been very rude in their response to Mr. Ghazal and me. This is a very expensive project for Mr. Ghazal already so additional \$ is not always accepted gracefully.

It is my understanding from the conditions of approval that a failure to reach an agreement with the neighbors does not stop the project, but only means that the wall will have to be built on the Talk of the Town property where originally planned. That is not what Mr. Ghazal wants to happen. He hopes to reach an agreement with the neighbors with the document that is being circulated at this time. I think if the neighbors understand that a failure to reach an agreement on this wall only means that they don't benefit from a wall, not that the project will be stopped, will perhaps make them agree to sign.

Mr. Ghazal and I would like to meet with each of you prior to the August 10 hearing. I have contacted Robin Ekblad who is on vacation until August 3. Please let me know if you are available to meet.

Thanks for your time and please feel free to contact me by email or phone if you have any questions.

Best regards,  
Linda

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RESOLUTION NO. 2011-75

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
APPROVING AN EXTENSION OF TIME FOR  
A CONDITIONAL USE PERMIT FOR THE  
TALK OF THE TOWN CARWASH PROJECT

Case No.: PHG 11-0015 and 2004-66-CUP  
Applicant: Munther Ghazal

WHEREAS, on May 26, 2010, the City Council considered and approved the subject Conditional Use Permit for the Talk of the Town carwash/restaurant project and a related amendment to the South Escondido Boulevard Area Plan on approximately 1.34 acres in the CG (General Commercial) zone, located on the northwestern corner of the intersection of Brotherton Road and Centre City Parkway, addressed as 400 Brotherton Road; and

WHEREAS, pursuant to Article 61 of the Escondido Zoning Code, the City Council approval included a term of one year for the applicant to utilize the Conditional Use Permit; and

WHEREAS, the applicant submitted a request for a one-year extension of time on April 21, 2011, as permitted by Article 61 of the Escondido Zoning Code; and

WHEREAS, the City Council has met to consider the proposal, and desires at this time and deems it to be in the best public interest to approve said one-year extension of time for PHG 11-0015 and 2004-66-CUP.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.

2. That on the basis of the above review and consideration this City Council extends the Conditional Use Permit for one year to expire on May 28, 2012, unless the Conditional Use Permit is utilized in accordance with the required Conditions of Approval, attached as Exhibit "A" and incorporated by this reference, or unless an extension of time is granted pursuant to Article 61 of the Escondido Zoning Code.

**CONDITIONS OF APPROVAL**  
**2004-02-AZ, 2004-66-CUP**

**Project Mitigation Measures**

1. Contribute a fair share amount of approximately 2.18% towards the cost of installing a traffic signal at the intersection of Felicita Avenue and Brotherton Road.
2. Contribute a fair share amount of approximately 2.16% towards the cost of improving the segment of Centre City Parkway, between Felicita Avenue and Brotherton Road to City of Escondido Major Road standards.
3. The restaurant kitchen equipment shall include an emission control system such as an electrostatic precipitation filtration system or other filtration system satisfactory to the Planning Division.
4. All parking lot light fixtures shall be installed on the lowest pole height feasible as determined by a lighting analysis. All light fixtures near the northern and western property lines shall be directed downward and provided with shields to minimize potential impacts related to light spillover and glare.
5. All exterior HVAC units for the restaurant building shall be installed within a screened area on the eastern side of the building to meet sound attenuation standards. The HVAC unit for the auto services building shall be installed within a screened area on the southern side of the building. HVAC equipment shall be as specified in the Noise Impact Analysis or a similar model with equal or less noise emissions.
6. The carwash dryer system shall not to exceed 82.5 dBA unmitigated noise level at 5 feet and shall be set back within the carwash tunnel approximately six feet from the exit allowing the tunnel structure to function as a sound attenuation barrier.
7. All carwash supporting equipment including pumps, compressors, and vacuum motor and canister system shall be installed within a dedicated equipment room equipped with passive rooftop ventilation.
8. In order to meet daytime noise limits as defined in the Escondido Noise Ordinance, the carwash must cease operating no later than 10:00 p.m. (this is further modified by Planning Division Condition No. 16 below).
9. The use of pneumatic tools shall be prohibited at the oil change facility.

**Planning Division Conditions**

1. The developer shall be required to pay all development fees of the City then in effect at the time and in such amounts as may prevail when building permits are issued, including any applicable City-Wide Facilities fees.
2. All construction and grading shall comply with all applicable requirements of the Escondido Zoning Code and requirements of the Planning Division, Engineering Division, Building Division, and Fire Department.
3. If blasting is required, verification of a San Diego County Explosives Permit and a copy of the blaster's public liability insurance policy shall be filed with the Fire Chief and City Engineer prior to any blasting within the City of Escondido.
4. The legal description attached to the application has been provided by the applicant and neither the City of Escondido nor any of its employees assume responsibility for the accuracy of said legal description.
5. All requirements of the Public Art Partnership Program, Ordinance No. 86-70, shall be satisfied prior to building permit issuance. The ordinance requires that a public art fee be added at the time of the building permit issuance for the purpose of participating in the City Public Art Program.

6. All exterior lighting shall conform to the requirements of Article 35 (Outdoor Lighting) of the Escondido Zoning Code. Prior to issuance of a building permit, the applicant shall submit a photometric plan for the parking lot lighting to ensure that light spillover has been minimized to the extent feasible through the use of reduced-height light poles, low wattage lamps and shielding.
7. A minimum of 50 striped parking spaces shall be provided in conjunction with this development. Said parking spaces shall be double-striped and dimensioned per City standards. The striping shall be drawn on the plan or a note shall be included on the plan indicating the intent to double-stripe per City standards
8. Parking for disabled persons shall be provided (including "Van Accessible" spaces) in full compliance with Section 1129B (Accessible Parking Required) of the California Building Code, including signage. All parking stalls shall be provided with six-inch curbing or concrete wheel stops in areas where a vehicle could reduce minimum required planter, driveway or sidewalk widths.
9. An inspection by the Planning Division will be required prior to operation of the project. Items subject to inspection include, but are not limited to parking layout and striping (double-stripe), identification of handicap parking stalls and required tow-away signs, lighting, landscaping, as well as any outstanding condition(s) of approval. Everything should be installed prior to calling for an inspection, although preliminary inspections may be requested. Contact the project planner at (760) 839-4671 to arrange a final inspection.
10. Trash enclosures must be designed and built per City standards, and permanently maintained. All trash enclosures (including existing trash enclosures) shall meet current engineering requirements for storm water quality, which includes the installation of a decorative roof structure. Solid metal doors shall be incorporated into the trash enclosure. A decorative exterior finish shall be used. All trash enclosures must be screened by landscaping as specified in the Landscape Ordinance. All trash enclosures shall be of sufficient size to allow for the appropriate number of trash and recyclable receptacles as determined by the Planning Division and Escondido Disposal, Inc.
11. Colors, materials and design of the project shall be in substantial conformance with the plans/exhibits approved by the Design Review Board on June 25, 2009, and the exhibits and details in the staff report to the satisfaction of the Planning Division.
12. No signage is approved as part of this permit. A separate sign permit shall be required prior to the installation of any signs. All proposed signage associated with the project must comply with the City of Escondido Sign Ordinance (Article 66, Escondido Zoning Code). Only one freestanding sign shall be permitted for the development.
13. All new utilities shall be underground.
14. All rooftop equipment must be fully screened from all public view utilizing materials and colors which match the building.
15. The City of Escondido hereby notifies the applicant that State Law (SB 1535) effective January 1, 2007, requires certain projects to pay fees for purposes of funding the California Department of Fish and Game. If the project is found to have a significant impact to wildlife resources and/or sensitive habitat, in accordance with state law, the applicant should remit to the City of Escondido Planning Division, within two (2) working days of the effective date of this approval (the "effective date" being the end of the appeal period, if applicable), a certified check payable to "County Clerk", in the amount of \$2,060.25 for a project with a Negative Declaration. These fees include an authorized County administrative handling fee of \$50.00. Failure to remit the required fees in full within the time specified above will result in County notification to the State that a fee was required but not paid, and could result in State imposed penalties and recovery under the provisions of the Revenue and Taxation code. Commencing January 1, 2007, the State Clearinghouse and/or County Clerk will not accept or post a Notice of Determination filed by a lead agency unless it is accompanied by one of the following: 1) a check with the correct Fish and Game filing fee payment, 2) a receipt or other proof of payment showing previous payment of the filing fee for the same project, or 3) a completed form from the Department of Fish and Game documenting the Department's determination that the



project will have no effect on fish and wildlife. If the required filing fee is not paid for a project, the project will not be operative, vested or final and any local permits issued for the project will be invalid (Section 711.4(c)(3) of the Fish and Game Code).

16. The hours of operation for the restaurant building shall be limited to 6:00 A.M. to 10:00 P.M. 7 days/week. The hours of operation for the Carwash/Oil Change facility shall be limited to daytime hours defined as opening no earlier than 8:00 A.M. and closing no later than sunset.
17. All project generated noise shall comply with the City's Noise Ordinance (Ord. 90-08) to the satisfaction of the Planning Division.
18. This CUP shall become null and void unless utilized within twelve months of the effective date of approval.
19. The carwash/oil change facility may not receive a building permit prior to issuance of a building permit for the restaurant building. Occupancy of the carwash/oil change facility shall not be granted prior to occupancy of the restaurant building unless a determination is made by the Planning and Building Divisions that a final inspection for the restaurant building is imminent.
20. Employees of the carwash shall be prohibited from honking car horns to signal the owners that the car is ready.
21. No exterior loudspeakers for music, paging or announcements shall be permitted on the site.
22. The car wash design and building plans shall incorporate water conservation features including a water recycling system satisfactory to the Planning and Utilities Divisions.
23. All outdoor dining or smoking areas for the restaurant shall be limited to the eastern side of the building.
24. Prior to occupancy of any commercial buildings, a six-foot-high masonry separation wall shall be constructed on the northern and western property lines as required by Section 33-1082 of the Zoning Code. Alternatively, the applicant shall be permitted to enter into an agreement with approximately ten individual homeowners to pay the cost for the homeowners to construct the wall at the top of the slope on their properties. This condition will be satisfied upon payment of the full cost of the wall to the homeowners, or construction of the wall on the applicant's property as specified above.

#### **Landscaping Conditions**

1. Prior to issuance of a building permit, the conceptual landscape plan shall be reviewed by the Design Review Board.
2. Prior to occupancy, all perimeter, slope and parking lot landscaping shall be installed. Additionally, all landscaping proposed in conjunction with each building to be developed shall be installed. All vegetation shall be maintained in a flourishing manner, and kept free of all foreign matter, weeds and plant materials not approved as part of the landscape plan. All irrigation shall be maintained in fully operational condition.
3. In compliance with Article 62 (Landscape Standards), Section 1339 of the Escondido Zoning Code, all manufactured slopes over three feet high shall be irrigated and planted with landscape materials. The type of plant material shall be low maintenance, drought resistant, and fast growing, to the satisfaction of the Planning Division. In particular, the ground cover shall be a fast-growing species which establishes quickly and is capable of choking out weeds. All slopes over three vertical feet shall be irrigated as part of the irrigation system approved by the Planning Division.
4. Five copies of a detailed landscape and irrigation plan(s) shall be submitted prior to issuance of grading or building permits, and shall be equivalent or superior to the concept plan attached as an exhibit to the satisfaction of the Planning Division. A plan check fee based on the current fee schedule will be collected at the time of the submittal. The required landscape and irrigation plans(s) shall comply with the provisions, requirements and standards outlined

in Article 62 (Landscape Standards) of the Escondido Zoning Code. The plans shall be prepared by, or under the supervision of a licensed landscape architect.

5. The installation of the landscaping and irrigation shall be inspected by the project landscape architect upon completion. He/she shall complete a Certificate of Landscape Compliance certifying that the installation is in substantial compliance with the approved landscape and irrigation plans and City standards. The applicant shall submit the Certificate of Compliance to the Planning Division and request a final inspection.
6. All manufactured slopes or slopes cleared of vegetation shall be landscaped within thirty (30) days of completion of rough grading. If, for whatever reason, it is not practical to install the permanent landscaping, then an interim landscaping solution may be acceptable. The type of plant material, irrigation and the method of application shall be to the satisfaction of the Planning Division and City Engineer.
7. Street trees shall be provided along every frontage within, or adjacent to this subdivision in conformance with the Landscape Ordinance and the City of Escondido Street Tree List. Trees within five feet of the pavement shall be provided with root barriers.
8. Details of project fencing and walls, including materials and colors, shall be provided on the landscape plans.

#### **Building Division Conditions**

1. Appropriate accessible paths of travel shall be required from the public way.
2. Plans shall comply with the 2007 California Code

#### **Fire Department Conditions**

##### Fire Protection Systems

1.  NFPA 13  NFPA 13R  NFPA 13D **automatic fire sprinkler system** will be required.
2. **Automatic fire sprinkler system** will be required in the entire structure for the following reasons:
  - The project is more than three minutes driving time and five miles from the nearest fire station.
  - The structures are more than 3,600 square feet and exceed 1,500 GPM needed fire flow.
  - High fire severity area.
  - Other: \_\_\_\_\_
3. Sprinklers will be required on all overhangs exceeding four feet.
4. An approved fire alarm system shall be required if the number of sprinkler heads exceed 100.
5. A fire hydrant is required to be located within 50 feet of the fire department connection, unless otherwise specified. Please show location on plans.
6. Fire hydrants capable of delivering  1,500 GPM  2,500 GPM at 20 PSI residual pressure shall be required every 300 feet.
7. Fire suppression system required for hood system.

8. Extinguisher(s) shall be provided at locations indicated with a minimum rating of 2A-10B:C in a visible and accessible location, at an exit or in the exit path. Walking distance is not to exceed 75 feet (CFC 1002.1; T-19 Art. 5). Extinguishers must be mounted not more than 5 feet nor less than 3 ½ feet above the floor.

#### Access

9. Commercial access roads/drive aisles shall be a minimum of 24-feet wide.
10. Speed humps/bumps will not be allowed.
11. All-weather paved access, able to support the weight of a fire engine (75K lbs.) and approved fire hydrants must be provided prior to the accumulation of any combustible materials on the job site.
12. Knox box shall be required.
13. A 28' inside turning radius is required on all corners.
14. Barricades shall not obstruct fire hydrants or impede emergency vehicle access.
15. 13'6" vertical clearance must be provided in all access and driveway areas. Trees that obstruct the vertical clearance or access width must be trimmed or removed.
16. Red curbs with 4" white lettering, "NO PARKING FIRE LANE" signs are required in 24'-wide access areas.

#### Engineering Division Conditions

##### GENERAL

1. As surety for the construction of required off-site and/or on-site improvements, bonds and agreements in a form acceptable to the City Attorney shall be posted by the developer with the City of Escondido prior to the approval of plans and the issuance of Building Permits.
2. All public improvements shall be constructed in a manner that does not damage existing public improvements. Any damage shall be determined by and corrected to the satisfaction of the City Engineer.
3. An engineered improvement plan prepared by a Registered Civil Engineer is required for all public improvements. The developer shall post security for these improvements and an improvement plan shall be approved by the City of Escondido prior to issuance of any building permits. All required improvements shall be constructed prior to final acceptance of subject construction by the City.

##### STREET IMPROVEMENTS AND TRAFFIC

1. The developer shall construct a 15 foot wide south bound deceleration lane along project frontage on Centre City Parkway (250 feet long with 120 foot long transition) to the satisfaction of the City Engineer. Roadway improvements shall include construction of roadway widening, curb and gutter, drainage improvements and two street lights along deceleration lane. The developer shall also be responsible to prepare a striping & signage plan to allow for a fourteen foot wide deceleration lane and widen the existing bike lane from four to five feet.
2. The developer shall be responsible to landscape and irrigate the parkway areas along project frontage on Centre City Parkway and Brotherton Road to the satisfaction of the Planning Director.

3. The developer shall re-establish the striping at the intersections of Centre City Parkway /Brotherton Road and Brotherton Road/Frontage Road. This work shall be shown and approved as part of the striping & signage plan.
4. All driveways shall be alley-type in accordance with Escondido Standard Drawing No. 3, with a minimum throat width of minimum 24 feet.
5. The developer shall install a street light at the intersection Brotherton Road and new easterly driveway that shall be aligned with frontage road.
6. The developer shall be responsible for replacement of the existing drainage pipe across Brotherton Road, if it were found to be damaged at the time of final plans review, as determined by the City Engineer.
7. All unused driveways shall be removed and replaced with full height curb and gutter and sidewalk in accordance with City standards.
8. Adequate horizontal sight distance shall be provided at all street intersections and driveway entrances. Increased parkway widths, open space easements, and restrictions on landscaping may be required at the discretion of the City Engineer.
9. The developer's engineer shall prepare a complete signing and striping plan for all improved roadways. Developer's contractor shall do any removal of existing striping and all new signing and striping.
10. The developer will be required to provide a detailed detour and traffic control plan, for all construction within existing rights-of-way, to the satisfaction of the Traffic Engineer and the Field Engineer. This plan shall be approved prior the issuance of an Encroachment Permit for construction within the public right-of-way.
11. The developer shall provide the City with cash contribution in the amount of \$50,000 towards future improvement of Centre City Parkway between Felicita Avenue and Brotherton Road, prior to issuance of Building Permit.
12. The developer shall provide the City with cash contribution in the amount of \$7,500 towards future improvement of the intersection of Brotherton Road and Felicita Avenue, prior to issuance of building permit.

#### GRADING

1. Site grading and erosion control plans prepared by a Registered Civil Engineer are required for all onsite improvements and shall submitted to the Engineering Department. Grading Plans are subject to approval by the Planning, Fire and Engineering Departments prior to issuance of a Grading Permit.
2. All private driveways and parking areas shall be paved with a minimum of 3" AC over 6" of AB or 5 1/2" PCC over 6" AB. All paved areas exceeding 15% slope or less than 1.0% shall be paved with PCC. (This requirement may be reduced to 2" AC over 4" AB or 5 1/2" P.C.C. over native for single family residential only)
3. All proposed retaining walls shall be shown on and permitted as part of the site grading plan. Profiles and structural details shall be shown on the site grading plan and the Soils Engineer shall state on the plans that the proposed retain wall design is in conformance with the recommendations and specifications as outlined in his report. Structural calculations shall be submitted for review by a Consulting Engineer for all walls not covered by Regional or City Standard Drawings. Retaining walls or deepened footings that are to be constructed as part of building structure will be permitted as part of the Building Dept. plan review and permit process.
4. Erosion control, including riprap, interim sloping planting, gravel bags, or other erosion control measures shall be provided to control sediment and silt from the project. The developer shall be responsible for maintaining all erosion control facilities throughout the development of the project.

5. A General Construction Activity Storm Water Permit is required from the State Water Resources Board for all storm water discharges associated with a construction activity where clearing, grading and excavation results in a land disturbance of one or more acres. Two copies of the Storm Water Pollution Prevention Plan shall be submitted to the City.

#### **DRAINAGE**

1. Final on-site and off-site storm drain improvements shall be determined to the satisfaction of the City Engineer and shall be based on a drainage study to be prepared by the engineer of work. The drainage study shall be in conformance with the City of Escondido Design Standards.
2. A Final Water Quality Technical Report in compliance with City's latest adopted Storm Water Management Requirements shall be prepared and submitted together with the final improvement and grading plans. Water Quality Technical Report shall include post construction storm water treatment measures and maintenance requirements.
3. All site drainage with emphasis on the parking and drive way areas shall be treated to remove expected contaminants using a high efficiency non-mechanical method of treatment. The City highly encourages the use of grass bio-swales or rock/gravel swales within or along the perimeter of the parking and driveway areas as the primary method of storm water treatment. The landscape plans will need to reflect these areas of storm water treatment.
4. The on-site trash enclosure area shall drain toward a landscaped area and include a roof over the enclosure in accordance with the City's Storm Water Management requirements and to the satisfaction of the City Engineer.
5. All on-site storm drains not in public easements are private. The responsibility for maintenance of these storm drains and all post construction storm water treatment facilities shall be that of the property owner.

#### **WATER SUPPLY**

1. Fire hydrants together with an eight (8") inch supply line from Brotherton Road shall be installed at locations approved by the Fire Marshal, designed and constructed to the satisfaction of the Utilities Director.
2. Separate water meters shall be installed for each building.
3. A Public Utility Easement shall be granted to the City of Escondido for all public water mains within the project site. The easement shall include all fire hydrants, water meters and other appurtenances. The minimum easement width shall be 20 feet.

#### **RECYCLED WATER**

1. The developer is required to construct an irrigation system, for the frontage on Centre City Parkway and Brotherton Road that can use either potable or recycled water. This system should be built to the satisfaction of the Planning and Utilities Directors.

#### **SEWER**

1. An access driveway shall be provided from Centre City Pkwy. to the existing sewer manhole in the northeast corner of the proposed project to the satisfaction of the Director of Utilities.
2. Separate 6" sewer laterals shall be installed from the public main to each building.
3. No trees or deep rooted plants shall be planted within 15' of sewer lines.

### **EASEMENTS AND DEDICATIONS**

1. Necessary public utility easements (for sewer, water and storm drain) shall be granted to the City. The minimum easement width is 20 feet. Easements with additional utilities shall be increased accordingly.
2. Vehicular access rights to Center City Parkway shall be waived and relinquished to the City of Escondido.

*Material necessary for processing a dedication or easement shall include: a current grant deed or title report, a legal description and plat of the dedication or easement signed and sealed by a person authorized to practice land surveying (document size) and traverse closure tapes. The City will prepare all final documents.*

### **REPAYMENTS AND FEES**

1. A cash security or other security satisfactory to the City Engineer shall be posted to pay any costs incurred by the City for cleanup or damage caused by erosion of any type, related to project grading. Any moneys used by the City for cleanup or damage will be drawn from this security. The remaining portion of this cleanup security shall be released upon final acceptance of the grading for this project. The amount of the cash security shall be 10% of the total estimated cost of the grading work up to a maximum of \$30,000, unless a higher amount is deemed necessary by the City Engineer. The balance of the grading work shall be secured by performance bonds, an instrument of credit, a letter of credit or such other security as may be approved by the City Engineer and City Attorney.
2. The developer shall be required to pay all development fees of the City then in effect at the time, and in such amounts as may prevail when building permits are issued.

### **SURVEYING AND MONUMENTATION**

1. All property corners shall be monumented by a person authorized to practice land surveying and a Record of Survey Map (or Corner Record if appropriate) shall be recorded.
2. A current preliminary title report shall be submitted with the grading plans.

### **UTILITY UNDERGROUNDING AND RELOCATION**

1. All existing overhead utilities within the subdivision boundary or along fronting streets shall be relocated underground in accordance with City's Utilities Undergrounding Ordinance.
2. The developer shall sign a written agreement stating that he has made all such arrangements as may be necessary to coordinate and provide utility construction, relocation and undergrounding. All new utilities shall be constructed underground.

## CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 17**

**Date: August 10, 2011**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Barbara J. Redlitz, Director of Community Development  
**SUBJECT:** 2013-2020 Housing Element (PHG11-0028)

**STAFF RECOMMENDATION:**

It is requested that the City Council endorse the Draft 2013-2020 Housing Element including its goals, policies and programs\* (available [on-line](#)), and authorize submittal to the State Department of Housing and Community Development (HCD) for a 60-day review and comment period.

\*Link: <http://www.escondido.org/Data/Sites/1/pdfs/Housing/DraftHousingElement.pdf>

**PLANNING COMMISSION RECOMMENDATION AND SUMMARY:**

The Planning Commission held a public workshop to discuss the Draft Housing Element on July 26, 2011 (see staff report). Two members of the public spoke. A representative of the San Diego Housing Federation expressed opposition to SANDAG's proposed Regional Housing Needs Assessment (RHNA) methodology that allocates 1,833 very low- and low-income (target) households to Escondido. She encouraged the city to support alternative "Table 3c" (see Exhibit "AA"), which utilizes a jobs/transportation/housing balance and transit adjustment approach, resulting in an allocation of 1,697 target households for Escondido. Don Greene, president of the Coalition of Escondido Mobile/Manufactured Home Voters Political Action Committee, expressed interest in working with staff to develop criteria that would assist mobilehome park residents in their effort to convert mobilehome parks to ownership. After the workshop an e-mail was received commenting on the Housing Element from Dave Woods (see Exhibit "BB") recommending that all housing projects focus on providing quality features and that residential development in the Urban Core include unique and innovative design features and amenities to foster the "18-hour destination" environment envisioned for the Downtown.

Overall, the Planning Commissioners did not agree with the proposed RHNA allocation and expressed concern with any mandate to provide a specified number of units. All the Commissioners felt that if an allocation of target households must be included, a different methodology should be considered acknowledging Escondido's existing high percentage of target households, the large number of market-rate affordable housing units, and the city's desire to raise the local median income. Commissioner Weber expressed a concern regarding SANDAG's 2050 Regional Growth Forecast indicating that approximately 80% of the projected new housing will be multi-family and only 20% will be single-family units, limiting the range of future housing choices.

The Commissioners asked several questions about the Housing Element and RHNA process and discussed the fact that Escondido already has many multi-family units renting at affordable prices that are not included in the RHNA methodology because they are not deed restricted. In the Planning Commission's review of the proposed Housing Element goals and policies no modifications were recommended.

#### FISCAL ANALYSIS:

Three contracts were approved by the City Council with the consulting firm Atkins Environmental Inc. to conduct planning technical studies (including the Housing Element), and prepare a Climate Action Plan and Screencheck EIR totaling \$899,302 on December 15, 2010. The City Council approved an additional \$500,000 in the 2011-2012 FY Budget Capital Improvement Program (CIP) Process to complete the EIR, fund the staff Project Manager's salary, and related expenses in anticipation of a public vote for the November 2012 election. No change to the contracts is proposed at this time.

#### GENERAL PLAN ANALYSIS:

Adoption of the Housing Element is governed by a separate timeline that is tied to the adoption of SANDAG's 2050 Regional Transportation Plan (RTP) and coordinated with HCD's planning period of January 1, 2013, through December 31, 2020. Housing Elements are typically updated on an 8-10 year basis; and must be internally consistent with its jurisdiction's General Plan. Although the Housing Element is being prepared in conjunction with the proposed General Plan, which considers a range of 3,350 – 5,825 additional housing units, the land use assumptions for calculating available sites to meet proposed housing needs are based on the *existing* General Plan land use map. This approach assures that final certification of the Housing Element by HCD will not be delayed if the updated General Plan is rejected by the voters in 2012. Consequently, the results of the public vote will not jeopardize Housing Element compliance with State requirements, which requires completion no later than April 27, 2013.

According to State planning law, the Housing Element must be consistent with the other General Plan elements. The State Department of Housing and Community Development (HCD) has consecutively certified Escondido's Housing Elements since 1981. Penalties for noncompliance include invalidating a General Plan in its entirety and restricting an agency's land use decision making abilities. If the Housing Element is challenged in court, the court can curtail a local government's ability to approve subdivisions, make zoning changes or issue permits. As an incentive for awarding certain grants, SANDAG has tied Housing Element compliance to the funding of some programs that have benefitted Escondido and other communities in the region.

#### ENVIRONMENTAL REVIEW:

The Program Environmental Impact Report (EIR) for the General Plan Update will incorporate the Housing Element in its analysis. The EIR is tentatively scheduled for public comment in December 2011.



BACKGROUND / PREVIOUS ACTION:

The Housing Element focuses many policies and programs on addressing the RHNA which identifies the share of future housing units allocated to the San Diego region by HCD during an 11-year planning cycle (2010-2020) for all socio-economic groups. SANDAG collaborates with all jurisdictions in the region to establish an allocation of housing units for each city and the county in the region. The major goal of the RHNA is to assure a "fair share" distribution among cities and counties within the San Diego region, so that every community provides an opportunity for a mix of housing for all economic segments. The housing allocation targets are not building requirements, but are goals for each community to accommodate through appropriate planning policies and land use regulations.

Preliminary RHNA allocations have identified Escondido's share of regional future housing needs to be 4,175 new units for the January 1, 2010 to December 31, 2020 period, including 1,833 units for extremely low to low- income (target) households. The proposed RHNA option would result in Escondido's total lower household income share being 44%, which is significantly higher than the countywide average of 40%. The City Council has directed staff to prepare a letter for the Mayor opposing the proposed SANDAG RHNA allocation and methodology in favor of maintaining a target household allocation that is more closely aligned with the regional average, which would be 1,653 extremely low to low-income housing units for Escondido (see copy of letter in Planning Commission staff report).

The SANDAG Board will consider comments on the Draft RHNA allocation submitted during the public comment period that ended on July 28, 2011. Because the initial review of the Housing Element by HCD is needed now in order to accommodate the General Plan update's schedule for the November 2012 election, the Housing Element incorporates the Draft RHNA allocation of 1,833 target household units with the understanding that the ultimate allocation could be revised lower based on further jurisdictional collaboration and the final SANDAG Board decision at a later date.

NEXT STEPS IN THE PROCESS:

Upon City Council endorsement staff will submit the Draft Housing Element to the California Department of Housing and Community Development (HCD) for a 60-day review and comment period. City staff will then work with HCD to incorporate their comments into the draft document, which will then be reviewed by the City Council and approved by resolution prior to sending it the HCD for certification.

Respectfully submitted,



Barbara J. Redlitz  
Director of Community Development



Jay Petrek  
Principal Planner

EXHIBIT "AA"

11-Year RHNA (1/1/2010 - 12/31/2020)

	Regional Share Option (Table 1c)	Lower Income Capacity Option (Table 2b)	Lower Income Capacity Option with Jobs/Housing Balance and Income Adjustment (Table 2c)	Regional Share Option with Jobs/Housing Balance and Income Adjustment (Table 3a)	Regional Share Option with Jobs/Housing Balance, Income, and Transit Adjustment (Table 3c)	Regional Share Option with Jobs/Housing Balance, Income, Transit and Unincorporated Capacity Adjustment (Table 3c)	20+ du/ac capacity
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Carlsbad	1,980	1,605	1,796	2,357	2,170	2,319	1,605
Chula Vista	5,094	5,648	4,586	4,296	4,185	3,955	21,899
Coronado	20	22	16	17	22	20	270
Del Mar	24	12	14	31	33	34	12
El Cajon	2,299	2,549	2,342	2,077	2,415	2,410	13,225
Encinitas	932	1,033	925	940	901	958	1,293
Escondido	1,653	1,833	1,848	1,716	1,697	1,832	2,582
Imperial Beach	100	111	80	70	112	80	1,784
La Mesa	682	756	671	621	865	770	6,498
Lemon Grove	123	136	106	97	98	90	828
National City	738	818	812	695	1,009	928	18,200
Oceanside	2,460	2,727	1,877	1,784	1,593	1,140	4,751
Poway	496	353	463	701	601	608	353
San Diego	34,888	38,680	41,135	38,682	40,467	42,119	158,273
San Marcos	1,656	1,836	1,877	1,774	1,688	1,787	2,931
Santee	1,450	1,608	1,160	1,164	884	634	1,650
Solana Beach	135	150	141	143	129	138	262
Vista	544	603	631	590	640	658	1,731
Unincorporated	8,876	3,670	3,670	6,395	4,641	3,670	3,670
Region	64,150	64,150	64,150	64,150	64,150	64,150	241,817

Notes:

- (a) Very Low + Low Income Units under the Regional Share Option (Table 1c)
- (b) Very Low + Low Income Units under the Lower Income Capacity Option (Table 2b)
- (c) Very Low + Low Income Units under the Lower Income Capacity Option with Jobs/Housing Balance Adjustment (Table 2c)
- (d) Very Low + Low Income Units under the Regional Share Option with Jobs/Housing Balance and Income Adjustment (Table 3a)
- (e) Very Low + Low Income Units under the Regional Share Option with Jobs/Housing Balance, Income, and Transit Adjustment (Table 3c)
- (f) Very Low + Low Income Units under the Regional Share Option with Jobs/Housing Balance, Income, Transit and Unincorporated Capacity Adjustment (Table 3c)
- (g) Estimated Existing Plan Housing Capacity at 20+ du/ac

EXHIBIT "BB"

**Jay Petrek**

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**From:** Dave Woods  
**Sent:** Wednesday, July 27, 2011 10:33 PM  
**To:** Jay Petrek  
**Cc:** Barbara Redlitz; Charles Grimm; Bill Martin; Kristina Owens  
**Subject:** Re: Housing Element Workshop Staff Report

Hi Jay,

Thank you for speaking to me on the phone late yesterday (Tuesday)! As you may recall, I had wanted to attend the housing element workshop last night but had a scheduling conflict. You had mentioned that I could email my thoughts to you for inclusion in the staff report before Thursday, so I wanted to do so now.

My thoughts on the general plan housing element center around two basic topics that I want to address as briefly as possible:

**1) Quality over Quantity**

I hold a simple belief that "quality attracts quality." What concerns me about Escondido is that too many of the housing projects approved over the years have not been of the highest quality (in my opinion), and now it's showing in certain neighborhoods. Councilman Gallo stated this belief at a recent council meeting -- I recall him saying something along the lines that there was a period in the city's history about three decades ago that the council seemed to rubber stamp any housing proposal that came through, and that those housing developments were "ugly then, and they're still ugly now."

I have to say, I generally agree with his assessment. As a result, it concerns me to hear that a primary goal of the current housing element is to increase supply and affordability. I'm just one person, but constructively, I would suggest that we already offer many housing options in Escondido, and that our property values are already rather low. Instead of supply and affordability, I would recommend we focus strictly on quality through an emphasis on "value added" and innovation in housing.

What does this mean? A few real examples from Escondido's past: Suburban neighborhoods like the Country Club area or Escondido Hills incorporated quality features like great landscaping, golf courses, walking trails, and/or large lot sizes. Years later, these value-added features have kept property values high, created an ownership culture where more people own than rent, and attracted tenants who truly care about where they live and demonstrate pride of ownership. The same is true in a historic neighborhood like Old Escondido where the timeless architecture and quality craftsmanship create a unique housing environment where people are truly passionate about their homes. People clamor to buy these historic properties when they become available.

Wherever possible, we need to emphasize to future developers that we want them to go the extra mile and build housing projects that will stand the test of time through quality features and construction. The usual beige stucco box done solely for the sake of affordability won't do anymore.

**2) The Urban Core**

In full disclosure, I'm nearly 30 years old, so I'm a primary target audience for the type of urban / "smart growth" development that has been talked about for years in Escondido's urban core. The problem is, I don't see many projects in our downtown that truly compete with the "smartest" of smart growth and urban living projects from San Diego neighborhoods like Little Italy, North Park, Hillcrest, or Bankers Hill. I toured the City

Square development models here in Escondido when they first opened a few years ago, and my belief is that it simply does not compare to the unique options available in the San Diego neighborhoods I noted above.

To me, what sets the urban housing in those San Diego neighborhoods apart is truly innovative and unique architecture. I would LOVE the opportunity to buy a live/work-style loft condo someday where the top two stories are innovative, non-cookie-cutter floor plans situated above a retail first floor. In fact, that kind of residence would be perfect for our own Grand Avenue, but sadly, I don't think even one such residence exists today on Grand.

I'm a firm believer that if one small and extremely well-done development like this took place on Grand, it would sellout immediately, even in this bad economy, and it would "set the tone" and create strong demand for similar future projects in downtown and elsewhere in Escondido.

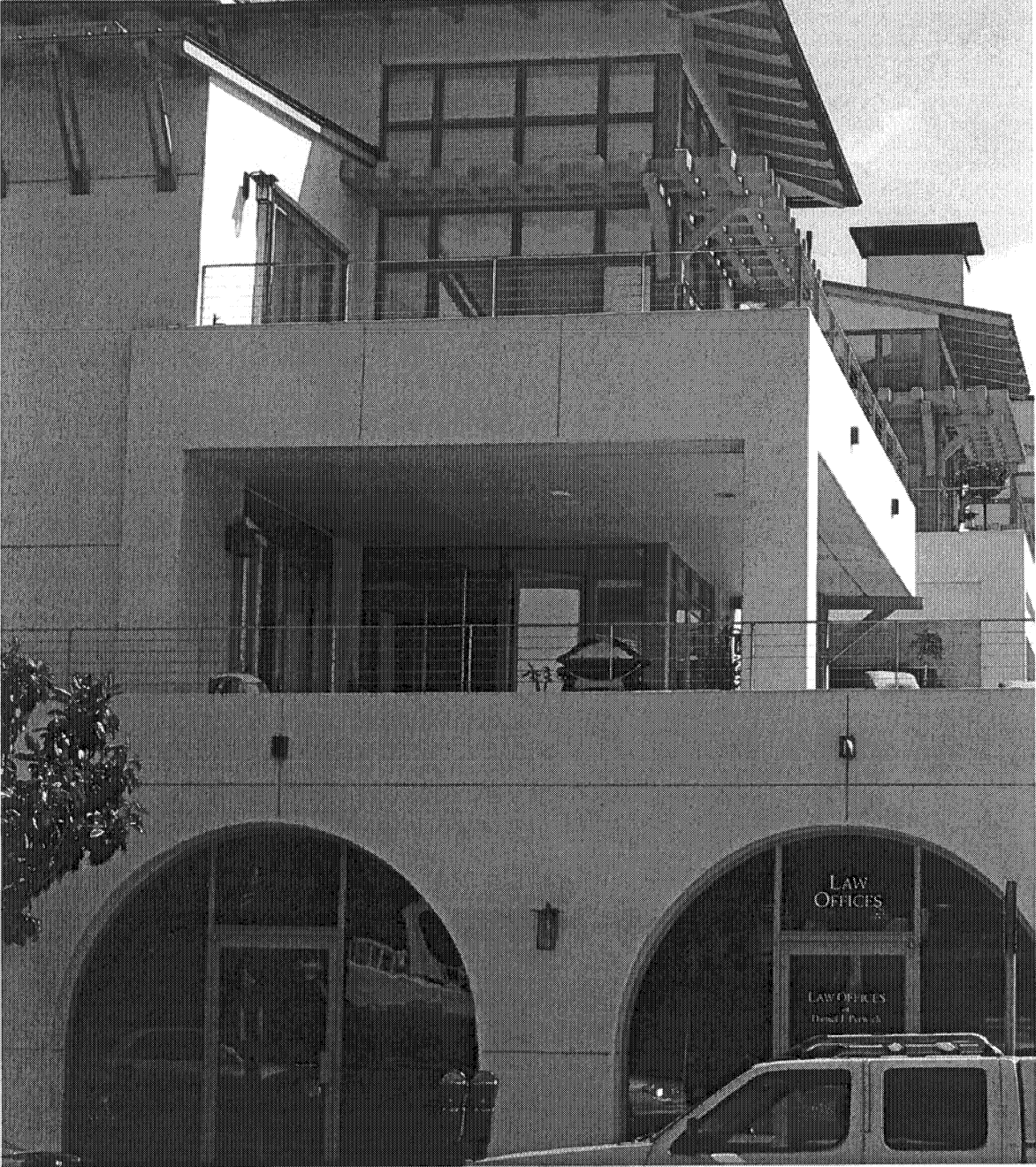
What would this kind of urban living look like? For an example, please see the attached photo I took of an urban development in Coronado. As you can see, it isn't just a big wood-framed box like the apartments now back under construction on the old Paramount project site. These pictures from Coronado show intriguing terraced floor plans without sheer walls that would otherwise make the building feel tall and imposing. Those terraces create interesting patios, and every individual unit has the appearance of being unique.

In my opinion, this type of architecture is an absolute perfect fit for Grand Avenue, and many other areas in Escondido's urban core (and it dovetails with my "quality attracts quality" comments above). I'm not sure if a recommendation this specific is appropriate for the general plan and the housing element, but I wanted to share it anyway as I fear Downtown Escondido will never become the lively "18-hour destination" that has been frequently talked about if we can't get more people living down there, and who clamor to live there because the housing options (and resulting restaurants and other businesses nearby) are so well-done and compelling.

Thanks again for the opportunity to provide input! Please let me know if you have any questions. Take care,

**Dave Woods**









## PLANNING COMMISSION

Agenda Item No.: \_\_\_\_\_  
Date: July 26, 2011

**CASE NUMBER:** PHG11-0028

**PROJECT DESCRIPTION:** 2013-2020 Housing Element Update Workshop

### Background

The Housing Element is one of seven mandatory "elements" of California General Plans. The document assesses the housing needs of all economic segments of each community and defines the goals and policies that will guide the approach to resolving housing needs through a number of recommended programs. State law describes in detail the necessary contents of housing elements, which are reviewed and certified by the State Department of Housing and Community Development (HCD). The document incorporates the most current data and information readily available at the time of writing, which includes data from the 2000 as well as 2010 Census. The element also includes an evaluation of the current Housing Element\* (adopted in 2005 online) by assessing the existing policies, and resources of the public and private sector to accommodate housing needs of the community.

### Role of the Housing Element

This Housing Element covers the planning period of January 1, 2013 through December 31, 2020. Proposed housing goals and policies (Exhibit A) will be integrated with the General Plan update currently underway. The element focuses on strategies and programs that conserve and improve existing affordable housing; provide adequate housing sites; assist in the development of affordable housing; remove constraints to housing development; and promote equal housing opportunities. Specific housing programs will be incorporated that that will allow the city to support a wide-range of housing densities and intensities that are well-integrated in the community and convenient to facilities and services.

### Public Participation

Public participation is critical to the preparation of the Housing Element. Outreach conducted by the city is intended to reach all segments of the community, including lower and moderate income households and persons with special housing needs. Because the Housing Element has a distinct approval process, separate workshops have been scheduled accordingly. A news release and a public notice were prepared prior to the workshop and advertised on the city's website. Also over 175 e-mails were sent to individuals who have expressed interest in the General Plan Update process.

### General Plan Consistency

According to State planning law, the Housing Element must be consistent with the other General Plan elements. While each element is independent, the elements are also interrelated. Certain goals and policies of each element may also address issues that are primary subjects of other elements. This integration throughout the General Plan creates a strong basis for the implementation of plans and programs and achievement of community goals.

\*link: <http://www.escondido.org/Data/Sites/1/pdfs/Housing/HousingElement.pdf>



Planning Commission  
Housing Element Workshop  
July 26, 2011

Although the Housing Element is being prepared in conjunction with the proposed General Plan, which considers a range of 3,350 – 5,825 additional housing units, the land use assumptions for calculating available sites to meet proposed housing are based on the *existing* General Plan land use map. This approach assures that final certification of the Housing Element by HCD will not be delayed if the updated General Plan is rejected by the voters in 2012. Consequently, the results of the public vote will not jeopardize Housing Element compliance with State requirements, which requires completion no later than April 27, 2013.

### Housing Element Enforcement

The State Department of housing and Community Development has consecutively certified Escondido's Housing Elements since 1981. Enforcement of Housing Elements for non-compliant jurisdictions has been a long-standing issue for the state legislature. Penalties for noncompliance include invalidating a General Plan in its entirety and restricting an agency's land use decision making abilities. If the Housing Element is challenged in court, the court can curtail the local government's ability to approve subdivisions, make zoning changes or issue permits. As an incentive for awarding certain grants, SANDAG has tied Housing Element compliance to the funding of some programs that have benefitted Escondido and other communities in the region.

### Regional Housing Needs Assessment (RHNA)

The Housing Element includes consideration of the Regional Housing Needs Assessment (RHNA), which identifies the share of future housing units based on household income levels that have been allocated to the San Diego region by HCD during an 11-year planning cycle (2010-2020) for all socio-economic groups. SANDAG collaborates with all jurisdictions in the region to establish an allocation of housing units for each city and the county in the region. Escondido has actively participated in the RHNA allocation process since SANDAG received the allocation from HCD in 2009. In allocating the region's future housing needs to jurisdictions, SANDAG is required to take the following factors into consideration pursuant to Section 65584 of the State Government Code:

- Market demand for housing;
- Employment opportunities;
- Availability of suitable sites and public facilities;
- Commuting patterns;
- Type and tenure of housing;
- Loss of units in assisted housing developments;
- Over-concentration of lower income households; and
- Geological and topographical constraints.

The RHNA allocates to each city and county a "fair share" of the region's projected housing needs by household income group. The major goal of the RHNA is to assure a fair distribution of housing among cities and counties within the San Diego region, so that every community provides an opportunity for a mix of housing for all economic segments. The housing allocation targets are not building requirements, but are goals for each community to accommodate through appropriate planning policies and land use regulations.

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Allocation targets are intended to assure that adequate sites and zoning are made available to address anticipated housing demand during the planning period. A Draft RHNA was released by the SANDAG Board of Directors on May 27, 2010, for a 60-day public review period that proposes the number of very low, low, moderate and above moderate households (Exhibit B). SANDAG anticipates adopting its Regional Housing Needs Allocation (RHNA) in October 2011.

The City of Escondido's share of regional future housing needs is a total of 4,175 new units for the January 1, 2010 to December 31, 2020 period, including 1,833 units for extremely low to low-income households (see Table 1). As discussed, the city's current General Plan can accommodate this anticipated growth if the Draft RHNA allocation is adopted by SANDAG. The General Plan Update, if approved would further increase housing capacity.

**Table 1: Housing Needs for 2013-2020**

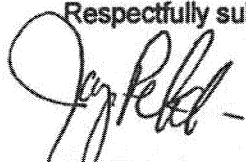
Income Category	Number of Units	Percent
Extremely Low (30% or less)	460	11.0%
Very Low (31 to 50%)	582	13.9%
Low (51 to 80%)	791	19.0%
Moderate (81% to 120%)	733	17.6%
Above Moderate (Over 120%)	1,609	38.5%
Total	4,175	100.0%

The proposed RHNA option would result in Escondido's total lower income share (target households) being 44%, which is significantly higher than the countywide average of 40%. The City Council has directed staff to prepare a letter for the Mayor opposing the proposed SANDAG RHNA allocation and methodology in favor of maintaining a target household allocation that is more closely aligned with the regional average, which would be 1,653 extremely low to low-income housing units (Exhibit C). SANDAG will accept public comments on the Draft RHNA Methodology and Allocation through July 28, 2011.

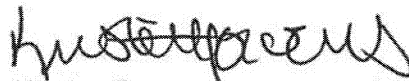
City Council and HCD Consideration

Comments from the workshop, as well as contents of the entire Housing Element containing various programs, will be forwarded to the City Council for consideration on August 10, 2011 at 4:30 p.m. The City Council will provide direction to staff prior to the element's first formal submission to HCD. Any comments from the state would need to be considered by the City Council prior to the City's adoption. Upon adoption by the City the document would be sent back to HCD for certification.

Respectfully submitted,



Jay Petrek  
Principal Planner



Kristina Owens  
Associate Planner

Planning Commission  
Housing Element Workshop  
July 26, 2011

EXHIBIT A  
(Page 1 of 2)

**Proposed Housing Goals and Policies**

**GOAL 1: Plan for Quality, Managed, and Sustainable Growth**

**Housing Policy 1.1**

Expand the stock of affordable housing while preserving the health, safety, and welfare of residents, and maintaining the fiscal stability of the City.

**Housing Policy 1.2**

Pursue a balance of jobs to housing.

**Housing Policy 1.3**

Channel residential growth to areas where the concurrent provision of services and facilities, including schools, parks, fire and police protection, and street improvements can be assured.

**Housing Policy 1.4**

Encourage a compact, efficient urban form that conserves land and other natural and environmental resources, and that promotes transit, supports nearby commercial establishments, and takes advantage of infrastructure improvements installed to accommodate their intended intensities.

**Housing Policy 1.5**

Encourage creative residential developments and partnerships that result in desirable amenities and contribute to infrastructure needs.

**Housing Policy 1.6**

Incorporate smart growth principles in new residential subdivisions, multi-family projects, and Mixed Use Overlay areas.

**GOAL 2: Provide a Range of Housing Opportunities for All Income Groups and Households with Special Needs**

**Housing Policy 2.1**

Accommodate the regional share of housing for all income groups.

**Housing Policy 2.2**

Ensure a proper balance of rental and ownership housing units.

**Housing Policy 2.3**

Increase homeownership in the City through education, availability, and affordability.

**Housing Policy 2.4**

Apply criteria demonstrating appropriateness for converting mobilehome parks to ownership or alternative uses.

Planning Commission  
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EXHIBIT A  
(Page 2 of 2)

**Housing Policy 2.5**

Seek ways to eliminate all forms of discrimination based on race, ancestry, national origin or color, religion, sex, familial or marital status, disability, medical condition, age, sexual orientation, or source of income in obtaining housing.

**GOAL 3: Enhance the quality of the City's housing stock and preserve the integrity of neighborhood character**

**Housing Policy 3.1**

Maintain and enhance the existing housing stock as a source of low- and moderate-cost housing and as a conservation measure.

**Housing Policy 3.2**

Seek ways to eliminate substandard housing through continued enforcement of the Health and Safety Code and the provision of programs which facilitate the maintenance and rehabilitation of housing.

**Housing Policy 3.3**

Utilize code enforcement measures and incentive programs as necessary to ensure that building and safety regulations are met and to promote property maintenance.

## EXHIBIT B (Page 1 of 2)

Planning

# REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) FACT SHEET

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### 2010 Household Income Limits for a Family of Four

**Very Low Income =**  
0 – 50 percent AMI (\$39,250)

**Low Income =**  
50 – 80 percent AMI (\$62,800)

**Moderate Income =**  
80 – 120 percent AMI  
(\$90,600)

**Above Moderate Income =**  
120+ percent AMI

### AMI = Area Median Income

AMI for a family of four in 2010  
is \$75,500

The San Diego Association of Governments (SANDAG), in consultation with the California Department of Housing and Community Development (HCD), is required by California state law to undertake a Regional Housing Needs Assessment (RHNA) prior to each housing element cycle for the 19 local jurisdictions in the San Diego region -- the 18 cities and County of San Diego. The RHNA process has three main components:

- » RHNA Determination – HCD regionwide housing need determination in four income categories: very low, low, moderate, and above moderate for the housing element cycle;
- » RHNA Plan - SANDAG plan to distribute the RHNA Determination to the local jurisdictions in four income categories; and
- » RHNA Allocation - each jurisdiction's housing need assessment in four income categories for use in updating local housing elements.

The RHNA process for the eight-year, fifth housing element cycle (January 1, 2013 – December 31, 2020) is being conducted in conjunction with the development of the 2050 Regional Transportation Plan (RTP) and its Sustainable Communities Strategy (SCS) in accordance with Senate Bill (SB) 375 (Steinberg).

### RHNA/SCS Consistency

SB 375 requires consistency between the RHNA and the development pattern of the SCS. It also requires that the SCS land use pattern, and therefore the RHNA, assist the region in meeting the greenhouse gas (GHG) reduction targets set by the California Air Resources Board (CARB)

### RHNA Determination

The overall regionwide housing need for the housing element cycle is based on projections from the California Department of Finance and the SANDAG 2050 Regional Growth Forecast, and on assumptions about the formation rates for new households, vacancy rates, household size, and demolitions, and data from the U.S. Census.

### RHNA Methodology and Allocation

The Draft RHNA Methodology and Allocation accepted for distribution and comment by the SANDAG Board of Directors on May 27, 2011, for a 60-day public review, is based on the land use pattern in the 2050 RTP and SCS and the 2050 Regional Growth Forecast, which reflects the region's local general and community plans. These plans indicate that approximately 80 percent of our projected new housing will be multifamily, and 83 percent of our housing in 2050 will be located within a half-mile of high frequency (15 minute headways) transit service. The Draft RHNA Methodology and Allocation distributes housing in accordance with the four RHNA objectives in state law: by reflecting the region's commitment to planning for housing for all income levels in all jurisdictions, balancing jobs and housing, focusing development in our urban areas, and protecting our rural areas, open space, and habitat lands.

### RHNA Process and Public Involvement

SANDAG worked with the region's planning directors (Regional Planning Technical Working Group) and Regional Housing Working Group to develop the Draft RHNA Methodology and Allocation to distribute

*(Continued on reverse)*



401 B Street, Suite 800  
San Diego, CA 92101  
(619) 699-1900  
Fax (619) 699-1905  
[www.sandag.org](http://www.sandag.org)

## EXHIBIT B (Page 2 of 2)

Regionwide Distribution of RHNA  
 Determination by Income Category  
 January 1, 2010 – December 31, 2020  
 (RHNA Projection Period)

Income Categories	%	units
Very Low	22.5%	36,450
Low	17.1%	27,700
Moderate	18.9%	30,610
Above-Moderate	41.5%	67,220
<b>Total</b>		<b>161,980</b>

the regionwide housing need to the 18 cities and County of San Diego in the four income categories. The development of the Draft RHNA Methodology and Allocation took place over a 12-month period during numerous public meetings conducted by the working groups, Regional Planning Committee, and SANDAG Board of Directors.

To read more about the RHNA and to comment on the Draft RHNA Methodology and Allocation, visit [www.sandag.org/rhna](http://www.sandag.org/rhna). Public comments will be accepted through July 28, 2011.

Draft RHNA Methodology  
 and Allocation\*

	RHNA Allocation by Income Category						Estim. Existing Plan Capacity
	11-Year RHNA	Very Low	Low	Moderate	Above Moderate	VL + Low**	
Carlsbad	4,999	912	693	1,062	2,332	1,605	1,605
Chula Vista	12,861	3,209	2,439	2,257	4,956	5,648	21,899
Coronado	50	13	9	9	19	22	270
Del Mar	61	7	5	15	34	12	12
El Cajon	5,805	1,448	1,101	1,019	2,237	2,549	13,225
Encinitas	2,353	587	446	413	907	1,033	1,293
Escondido	4,175	1,042	791	733	1,609	1,833	2,582
Imperial Beach	254	63	48	45	98	111	1,784
La Mesa	1,722	430	326	302	664	756	6,498
Lemon Grove	309	77	59	54	119	136	828
National City	1,863	465	353	327	718	818	18,200
Oceanside	6,210	1,549	1,178	1,090	2,393	2,727	4,751
Poway	1,253	201	152	282	618	353	353
San Diego	88,096	21,977	16,703	15,462	33,954	38,680	158,273
San Marcos	4,183	1,043	793	734	1,613	1,836	2,931
Santee	3,660	914	694	642	1,410	1,608	1,650
Solana Beach	340	85	65	59	131	150	262
Vista	1,374	343	260	241	530	603	1,731
Unincorporated	22,412	2,085	1,585	5,864	12,878	3,670	3,670
<b>11-Year RHNA Totals</b>		<b>36,450</b>	<b>27,700</b>	<b>30,610</b>	<b>67,220</b>	<b>64,150</b>	<b>241,817</b>
		<b>22.5 %</b>	<b>17.1 %</b>	<b>18.9 %</b>	<b>41.5 %</b>	<b>39.6 %</b>	

\*Table 2b. Lower Income Capacity Option. This table excerpted from the May 27, 2011 RHNA Board Report.

\*\*Allocation proposal is based on estimated existing plan capacity, or regional allocation, whichever is lower in jurisdictions where estimated existing plan capacity is exceeded.

EXHIBIT C  
(Page 1 of 5)



Sam Abed  
Mayor  
201 North Broadway, Escondido, CA 92  
Phone: 760-839-4610 Fax: 760-839-467

July 20, 2011

Susan Baldwin, Senior Regional Planner  
San Diego Association of Governments  
401 B Street, Suite 800  
San Diego, CA 92101

Re: Draft RHNA Methodology and Allocation

Dear Ms. Baldwin:

Thank you for the opportunity to comment on the Draft Regional Housing Needs Assessment (RHNA) Methodology and Allocation that is currently under consideration by the SANDAG Board of Directors. The City of Escondido has been an active participant in the RHNA process. However, The City of Escondido would like to go on record as firmly *opposing* the proposed Draft RHNA Methodology and Allocation that assigns Escondido 1,833 Very Low and Low Income Households (Target Households) for the upcoming Housing Element cycle (2013 – 2020). We strongly recommend a more equitable distribution of dwelling units for Target Households based on information contained in this letter.

Escondido understands the importance of planning for housing for all income levels in all jurisdictions, balancing jobs and housing, focusing development in urban areas consistent with Smart Growth principles, and protecting rural areas, open space, and habitat lands. Our history of consecutive Housing Element certifications extends 30 years, to 1981. Escondido contains a significant number of affordable units that are not income restricted. There are currently over 1,630 income-restricted units within the City. Additionally, 292 low and very low income households that are on the Federal Section 8 waiting list receive monthly rental subsidies from the City of Escondido totaling \$100 - \$125 each. These are only two of the many programs operated by Escondido that demonstrate the city's commitment for safe, clean and affordable housing.

As you are aware, housing element law contains objectives for preparing the RHNA Plan. Government Code Section 65584(d) provides that the: "regional housing needs allocation plan *shall* be consistent with *all* of the following objectives:

**RHNA GOVERNMENT CODE OBJECTIVE:**

- 1) Increase the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in all jurisdictions receiving an allocation of units for low- and very low- income households.

**RESPONSE:**

During the RHNA process each jurisdiction's percentage of existing Target Households was identified, and the Regional Average was determined to be 40% (Table 4 from May 27, 2011 SANDAG agenda;

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attached). The jurisdictions' existing percentage of Target Households ranges from 21% (Poway) to 61% (National City). Eleven (11) of the 19 jurisdictions in the region currently have a percentage of Target Households at or below the Regional Average. Escondido's existing percentage of Target Households is 44%, which exceeds the Regional Average. The Draft RHNA Methodology allocates 1,833 Target Households to Escondido which exceeds the Regional Average by 180 units. Escondido strongly opposes this allocation methodology and firmly believes allocations should equitably distribute Target Households in a manner that more closely aligns each jurisdiction's percentage of Target Households with the regional average. Under this approach Escondido's equitable Target Household allocation would be 1,653 units.

**RHNA GOVERNMENT CODE OBJECTIVES:**

- 2) Promote infill development and socioeconomic equity, the protection of environmental and agricultural resources and the encouragement of efficient development patterns.
- 3) Allocate a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared with the most recent decennial United States census.

**RESPONSE:**

Escondido believes there is a socioeconomic equity issue with regard to the proposed allocation of Escondido's Target Household units in light of the City's current conditions. The Draft Methodology proportionately allocates fewer Target Household units to more affluent cities that already contain significantly fewer Target Households than the regional average. SANDAG has reported that Escondido maintains the lowest median income of all San Diego North County cities (\$56,259) based on 2010 Census information. This income level is significantly less than the regional average of \$62,771 and only slightly more than one-half of the top-ranked city's median income. A goal of Escondido's General Plan Update that is currently underway is to improve the city's current jobs / housing balance and raise median income levels. While Escondido recognizes the importance of providing opportunities for Target Households, obligating the city to provide more than the regional average exacerbates efforts of raising the community's median income by further amplifying socioeconomic inequity in the community.

**RHNA GOVERNMENT CODE OBJECTIVE:**

- 4) Promote an improved intraregional relationship between jobs and housing.

**RESPONSE:**

Escondido currently maintains only 3.4% of its land area for employment purposes based on SANDAG 2009 Employment and Residential Land Inventory. This is less than the regional average of 3.9% and significantly less than all San Diego North County communities which range from 5.1% (Poway) to 22.9% (Carlsbad). This has resulted in a significant out-migration of commuters from Escondido to employment areas in other jurisdictions. The proposed RHNA methodology degrades the intraregional relationship between jobs and housing by allocating a disproportionate share of Target Households to Escondido rather than to jurisdictions that can provide employment opportunities in closer proximity to housing, thus reducing commuting patterns.



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Overall, the Draft Methodology appears to reward more affluent jurisdictions that have adopted General Plans with more restrictive land use designations (i.e. less residential capacity) by allocating them a lower number of Target Household units. The RHNA Fact sheet (Page 2 attached) states that the "allocation proposal is based on estimated existing plan capacity, or regional allocation, whichever is lower in jurisdictions where estimated existing plan capacity is exceeded." Escondido *strongly* opposes this methodology and feels that jurisdictions should not be allocated fewer units simply because their General Plans do not currently accommodate growth. The State Department of Housing and Community Development does not accept this approach in certifying Housing Elements and will require that agencies amend their General Plan to accommodate additional units. The City is willing to accept up to 1,653 Target Household units, which is consistent with the regional average. However, Escondido should *not* be required to accommodate more Target Household units than the regional average simply because other jurisdictions' General Plans currently do not have capacity, or do not choose to amend their General Plan policies to increase capacity.

Thank you for the opportunity to comment on the RHNA Methodology and Allocation. Based on the reasons cited in this letter the City of Escondido strongly urges the SANDAG Board of Directors' consideration in this matter.

Respectfully Submitted



Sam Abed  
Mayor

Attachments: 1) Table 4 "Household by Income and Very Low and Low Income Allocation Percentages for RHNA Options" from 5/27/2011 SANDAG meeting  
2) Regional Housing Needs Assessment Fact Sheet (Page 2)

CC: Escondido City Council  
Jeffrey Epp, City Attorney  
Clay Phillips, City Manager  
Charles Grimm, Assistant City Manager  
Barbara Redlitz, Director of Community Development

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Table 4. Households by Income and Very Low & Low Income Allocation Percentages for RHINA Options

11-Year RHINA (1/1/2010 - 12/31/2020)

	Households by Income (2000 Census)	Regional Share Option (Table 1c)	Lower Income Capacity Option (Table 2b)	Lower Income Capacity Option with Jobs/Housing Balance Adjustment (Table 2c)	Regional Share Option with Jobs/Housing Balance and Income Adjustment (Table 3a)	Regional Share Option with Jobs/Housing Balance, Income, and Transit Adjustment (Table 3c)	Regional Share Option with Jobs/Housing Balance, Income, Transit and Unincorporated Area Capacity Adjustment (Table 3e)
	VL + Low	VL + Low	VL + Low	VL + Low	VL + Low	VL + Low	VL + Low
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Carlsbad	27%	40%	32%	36%	47%	43%	46%
Chula Vista	42%	40%	44%	36%	33%	33%	31%
Covano	25%	40%	44%	32%	34%	44%	40%
Del Mar	25%	40%	20%	23%	51%	54%	56%
El Cajon	59%	40%	44%	40%	36%	42%	42%
Encinitas	27%	40%	44%	39%	40%	38%	41%
Escondido	44%	40%	44%	44%	41%	41%	44%
Imperial Beach	52%	40%	44%	31%	28%	44%	31%
La Mesa	44%	40%	44%	39%	36%	50%	45%
Lemon Grove	47%	40%	44%	34%	31%	32%	29%
National City	61%	40%	44%	44%	37%	54%	50%
Oceanside	40%	40%	44%	30%	29%	26%	18%
Poway	21%	40%	28%	37%	56%	48%	46%
San Diego	41%	40%	44%	47%	44%	46%	48%
San Marcos	40%	40%	44%	45%	42%	40%	43%
Santee	32%	40%	44%	32%	32%	24%	17%
Solana Beach	27%	40%	44%	41%	42%	38%	41%
Vista	42%	40%	44%	46%	43%	47%	48%
Unincorporated Region	34%	40%	16%	16%	23%	21%	16%
	40%	40%	40%	40%	40%	40%	40%

Notes:

- (a) Proportion of households in Very Low and Low Income categories (Where "Very Low" is defined as less than 50% of regional median household income and "Low" is defined as 50-80% of regional median household income defined by California Dept. of Housing and Community Development).
- (b) Percent of Very Low + Low Income Units under the Regional Share Option (Table 1c)
- (c) Percent of Very Low + Low Income Units under the Lower Income Capacity Option (Table 2b)
- (d) Percent of Very Low + Low Income Units under the Lower Income Capacity Option with Jobs/Housing Balance Adjustment (Table 2c)
- (e) Percent of Very Low + Low Income Units under the Regional Share Option with Jobs/Housing Balance and Income Adjustment (Table 3a)
- (f) Percent of Very Low + Low Income Units under the Regional Share Option with Jobs/Housing Balance, Income, and Transit Adjustment (Table 3c)
- (g) Percent of Very Low + Low Income Units under the Revised Regional Share Option with Jobs/Housing Balance, Income, Transit and Unincorporated Area Capacity Adjustment (Table 3e)

## EXHIBIT C (Page 5 of 5)

Regionwide Distribution of RHNA  
 Determination by Income Category  
 January 1, 2010 – December 31, 2020  
 (RHNA Projection Period)

Income Categories	%	units
Very Low	22.5%	36,450
Low	17.1%	27,700
Moderate	18.9%	30,610
Above-Moderate	41.5%	67,220
<b>Total</b>		<b>161,980</b>

the regionwide housing need to the 18 cities and County of San Diego in the four income categories. The development of the Draft RHNA Methodology and Allocation took place over a 12-month period during numerous public meetings conducted by the working groups, Regional Planning Committee, and SANDAG Board of Directors.

To read more about the RHNA and to comment on the Draft RHNA Methodology and Allocation, visit [www.sandag.org/rhna](http://www.sandag.org/rhna). Public comments will be accepted through July 28, 2011.

Draft RHNA Methodology  
 and Allocation\*

	RHNA Allocation by Income Category						Estim. Existing Plan Capacity
	11-Year RHNA	Very Low	Low	Moderate	Above Moderate	VL + Low**	
Carlsbad	4,999	912	693	1,062	2,332	1,605	1,605
Chula Vista	12,861	3,209	2,439	2,257	4,956	5,648	21,899
Coronado	50	13	9	9	19	22	270
Del Mar	61	7	5	15	34	12	12
El Cajon	5,805	1,448	1,101	1,019	2,237	2,549	13,225
Encinitas	2,353	587	446	413	907	1,033	1,293
Escondido	4,175	1,042	791	733	1,609	1,833	2,582
Imperial Beach	254	63	48	45	98	111	1,784
La Mesa	1,722	430	326	302	664	756	6,498
Lemon Grove	309	77	59	54	119	136	828
National City	1,863	465	353	327	718	818	18,200
Oceanside	6,210	1,549	1,178	1,090	2,393	2,727	4,751
Poway	1,253	201	152	282	618	353	353
San Diego	88,096	21,977	16,703	15,462	33,954	38,680	158,273
San Marcos	4,183	1,043	793	734	1,613	1,836	2,931
Santee	3,660	914	694	642	1,410	1,608	1,650
Solana Beach	340	85	65	59	131	150	262
Vista	1,374	343	260	241	530	603	1,731
Unincorporated	22,412	2,085	1,585	5,864	12,878	3,670	3,670
<b>11-Year RHNA Totals</b>		<b>36,450</b>	<b>27,700</b>	<b>30,610</b>	<b>67,220</b>	<b>64,150</b>	<b>241,817</b>
		<b>22.5 %</b>	<b>17.1 %</b>	<b>18.9 %</b>	<b>41.5 %</b>	<b>39.6 %</b>	

\*Table 2b. Lower Income Capacity Option. This table excerpted from the May 27, 2011 RHNA Board Report.

\*\*Allocation proposal is based on estimated existing plan capacity, or regional allocation, whichever is lower in jurisdictions where estimated existing plan capacity is exceeded.

<b>HOUSING ELEMENT UPDATE POLICY COMPARISON</b>		
<b>EXISTING HOUSING ELEMENT POLICY</b>	<b>PROPOSED HOUSING ELEMENT POLICY</b>	<b>COMMENT</b>
<p>a. To expand the stock of affordable housing while preserving the health, safety, and welfare of residents, and maintaining the fiscal stability of the City.</p> <p>b. Accommodate the regional share of housing for all income groups and the affordable housing goal for lower income households that require assistance.</p> <p>c. Maintain the existing housing stock as a source of low- and moderate-cost housing and as a conservation measure.</p> <p>d. Increase homeownership in the City through education, accessibility and affordability.</p> <p>e. Ensure a proper balance of rental and ownership housing units.</p> <p>f. Permit residential growth only within limits which allow the concurrent provision of services and facilities, including schools, parks, fire and police protection, and street improvements.</p> <p>g. Encourage a compact, efficient urban form which conserves land and other natural and environmental resources and which respects natural topography, drainage patterns and community character.</p>	<p>1.1 Expand the stock of affordable housing while preserving the health, safety, and welfare of residents, and maintaining the fiscal stability of the City.</p> <p>2.1 Accommodate the regional share of housing for all income groups.</p> <p>3.1 Maintain and enhance the existing housing stock as a source of low- and moderate-cost housing and as a conservation measure.</p> <p>2.3 Increase homeownership in the City through education, availability, and affordability.</p> <p>2.2 Ensure a proper balance of rental and ownership housing units.</p> <p>1.3 Channel residential growth to areas where the concurrent provision of services and facilities, including schools, parks, fire and police protection, and street improvements can be assured.</p> <p>1.4 Encourage a compact, efficient urban form that conserves land and other natural and environmental resources, and that promotes transit, supports nearby commercial establishments, and takes advantage of infrastructure improvements installed to accommodate their intended intensities.</p> <p>1.6 Incorporate smart growth principles in new residential subdivisions, multi-family projects, and</p>	

<b>HOUSING ELEMENT UPDATE POLICY COMPARISON</b>		
<b>EXISTING HOUSING ELEMENT POLICY</b>	<b>PROPOSED HOUSING ELEMENT POLICY</b>	<b>COMMENT</b>
	Mixed Use Overlay areas.	
h. Seek ways to eliminate all forms of discrimination based on race, ancestry, national origin or color, sex, familial or marital status, disability, age, sexual orientation, or source of income in obtaining housing.	2.5 Seek ways to eliminate all forms of discrimination based on race, ancestry, national origin or color, religion, sex, familial or marital status, disability, medical condition, age, sexual orientation, or source of income in obtaining housing.	
i. Encourage creative residential developments and partnerships that result in desirable amenities and contribute to infrastructure needs.	1.5 Encourage creative residential developments and partnerships that result in desirable amenities and contribute to infrastructure needs.	
j. Expand the stock of housing for moderate- and above-moderate-income households by providing development incentives in single-family and multi-family zones and in the urban core.		
k. Seek ways to eliminate substandard housing through continued enforcement of the Health and Safety Code and the provision of programs which facilitate the maintenance and rehabilitation of housing.	3.2 Seek ways to eliminate substandard housing through continued enforcement of the Health and Safety Code and the provision of programs which facilitate the maintenance and rehabilitation of housing.	
l. Pursue the proper balance of jobs to housing as recommended by the Department of Finance.	1.2 Pursue a balance of jobs to housing	
	2.4 Apply criteria demonstrating appropriateness for converting mobilehome parks to ownership or alternative uses.	
	3.3 Utilize code enforcement measures and incentive programs as necessary to ensure that building and safety regulations are met and to promote property maintenance.	

# CITY COUNCIL

For City Clerk's Use:

**APPROVED**       **DENIED**

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 18**  
**Date: August 10, 2011**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Sheryl Bennett, Director of Human Resources  
**SUBJECT:** Labor Negotiations Impasse – Escondido City Employees' Association – Administrative, Clerical and Engineering Bargaining Unit

**RECOMMENDATION:**

In accordance with the City of Escondido Employer-Employee Relations Resolution, the City Council will receive testimony from the City's Management Negotiating Team representative and the Escondido City Employees' Association (ECEA) – Administrative, Clerical and Engineering (ACE) Bargaining Unit Team representative regarding the impasse status of current negotiations. The City Council will consider one of the following alternative actions upon conclusion of the presentations:

1. Direct staff to implement the first year (FY 2011/12) of Management Team's Last, Best and Final Offer dated June 23, 2011, and adopt Resolution 2011-103, effective pay period beginning August 7, 2011.
2. Direct staff to implement the first year (FY 2011/12) of the final proposal of the ECEA/ACE Bargaining Unit dated June 20, 2011, effective pay period beginning August 7, 2011.
3. Direct Management and ECEA/ACE bargaining teams to continue negotiating in an effort to reach agreement.

As a result of implementing actions #1 or #2, adopt Resolution No. 2011-105 pertaining to paying and reporting the value of the seven percent (7%) Employer Paid Member Contribution.

**FISCAL ANALYSIS:**

The Last, Best and Final Offer (LBFO) as proposed by the City's Management Team was for a two-year contract (July 1, 2011 – June 30, 2013). Per the Meyers-Milias-Brown Act (MMBA), only one year of a LBFO can be imposed by a public agency. On-going cost savings to the City for fiscal year 2011/12 are in the amount of \$194,926.

Effective December 24, 2011, furlough hours will be calculated and deposited into employee's furlough banks on a pay-period basis.

Labor Negotiations Impasse – Escondido ECEA/ACE  
August 10, 2011  
Page 2

The first year of the Last, Best and Final Offer submitted by ECEA/ACE Bargaining Unit includes the items proposed by the Management Team's Last, Best and Final Offer, as well as the elimination of four furlough holidays. The removal of four furlough holidays equates to a 1.68% cost increase to the City, or a budget increase of \$105,383 for FY 2011/12.

PREVIOUS ACTION:

The City Council implemented Terms and Conditions of Employment with the ECEA/ACE Bargaining Unit on October 27, 2010.

BACKGROUND:

State law in the form of the MMBA requires public agencies to meet and confer with represented employee organizations over wages, hours and working conditions. The City originally adopted the Employer-Employee Relations Resolution (EERR) in March 1980, and the revised EERR in June 2008, implementing the MMBA for represented City employees. Contained within both the MMBA and the EERR are requirements for negotiating labor contracts.

Attached as background information for Council's review are the following:

- City Management Team's Last, Best and Final Offer to the ECEA/ACE Bargaining Unit
- ECEA/ACE Bargaining Unit's Last, Best and Final Offer
- Impasse Procedure, Article IV, Section 16 of the Employer-Employee Relations Resolution

Respectfully submitted,

  
Sheryl Bennett  
Director of Human Resources

**City of Escondido  
2011 Meet and Confer Process**

**ATTACHMENT #1**

**Escondido City Employees' Association  
Administrative/Clerical/Engineering Bargaining Unit**

**Management Proposal #6 – LAST, BEST AND FINAL OFFER**

**1. Term: Two Years (T/A 5/18/11)**

**2. Existing MOU Modifications:**

Due to the fact that the City remains in a financial deficit, the current concessions are proposed to remain the same.

The City proposes that all concessions in the Terms and Conditions of Employment implemented on October 27, 2010, will remain in place until terminated. This document contains the specific language to said concessions and are outlined in City Council Resolution 2010-152 (R)

- a. Frozen Step Increases
- b. Frozen Certification Pay
- c. Frozen Class Progressions, *with the exception of vacated progressive positions, in which the hiring department may choose to progress a current qualified incumbent who is frozen at a lower class as detailed in email correspondences between Matilda Hlawek and Ralph Ginese during 2/11 and 3/11. This practice will continue during the term of the MOU.*
- d. Frozen 401(k) Contributions by the City
- e. Furlough - City Hall Furlough and equivalent total salary reduction of 6.68%  
Or Self-Directed Furlough and equivalent total salary reduction of 6.64%

Due to the continued projected financial deficit for fiscal year 11/12, the City holds on the position of maintaining cost concessions as outlined above, except for Item e (detailed in #3).

**3. Holiday Furlough:**

Effective July 1, 2012, the four furloughed holidays will be eliminated, and the salary reduction equaling a 1.68% will be restored.



**4. Furlough Bank Deposit:**

Furlough hours will be calculated on a per pay-period basis and deposited into the employees' Self-Directed Furlough Bank. All other provisions within the Terms and Conditions of Employment *Article IV Salary – Furlough Program* related to the furlough policy will remain as previously outlined.

The table below represents FY 11/12 accruals, and will be adjusted in FY 12/13 to reflect the restoration of the four furloughed holidays.

FY 11/12			Accrual Hours Per Pay Period	
	ACE	Annual Hrs		Pay Periods
City Hall Employees		208.00	26.00	8.000
SDFP Employees		103.17	26.00	3.968
Holiday Furlough (all employees)		35.00	26.00	1.346

**5. Benefits/Compensation:**

**A. Pension**

**Two-Tier Retirement Formula for Newly Hired Employees  
(T/A 6/7/11)**

Implement a two-tier retirement system under Government Code Section 20475 for newly hired employees. This second tier will be activated as soon as administratively possible after all miscellaneous employee groups have completed the meet-and-confer process on this subject. The following will be applicable to the second tier:

1. 2% @ 60 retirement calculation;
2. Employees make 100% of the statutory employee contribution to CalPERS, currently 7%;
3. There will be no final-year concession of said payments to compensation for CalPERS benefit calculation purposes ("EPMC");
4. The use of average highest three years calculation.

## **Current Employee Contributions**

***Current ECEA/ACE represented employees will make 100% of the statutory employee contribution to CALPERS, which will be applied to the Employees' Contribution, which is currently eight percent (8%) effective pay period beginning June 26, 2011. The City will cease paying and reporting the value of the seven percent (7%) Employer paid Member Contribution (EPMC). These contributions will be on a pre-tax basis. (T/A 6/23/11)***

## **B. Compensation**

***(a) The City will increase the bargaining unit members' base salary by 4% effective pay period beginning June 26, 2011. (T/A 6/23/11)***

***(b) Effective pay period closest to 1/1/13 all ECEA/ACE represented employees shall receive a 1% salary increase. (T/A 6/20/11)***

## **C. Medical and Dental Insurance Plans**

This item will inform the ECEA that the Health Insurance Committee (HIC) is commencing its annual review of medical and dental insurance plans and the related designs of the various plans available to employees. Consistent with the MOU, the HIC may consider changes in health and dental plan design that may increase the cost to covered employees in such areas as doctor visit co-pays, prescription co-pays and the like.

The City will provide the lowest cost medical plan as recommended by the Health Insurance Committee (HIC) and approved by the City Council.

Employee participation toward medical coverage will include the proportional percentage change in premium each "premium year" for the lowest cost medical plan after changes in Plan Design by the HIC and approval by the City Council until January 1, 2013. At which time, all levels of coverage will be capped at the 2012 rates.

Effective January 1, 2013, any medical or dental premium increases over the January 1, 2012, rates will be shared 50/50 between the ECEA and the City. If a rate increase is realized for the January 1, 2013 rates, the premium cost-share increase will be attributed to the level of coverage in the 2012 structure.

***(T/A 6/15/11)***

The current monthly rates, beginning January 1, 2011:

**Kaiser:**

	<u>City</u>	<u>Employee</u>
Employee Only	\$349.48	\$14.34
Employee + One	\$698.96	\$28.68
Family Coverage	\$986.59	\$43.02

**Blue Cross**

	<u>City</u>	<u>Employee</u>
Employee Only	\$349.48	\$116.32
Employee + One	\$698.96	\$279.22
Family Coverage	\$986.59	\$410.82

**6. MOU Language Clean Up: (T/A 6/7/11)**

- a. Remove Article XIX, Medicare Election Process (pg. 20)
- b. Article XXV, CALPERS, Remove Section H (pg. 23)

**7. Certification:**

**Environmental Compliance Inspector – CWEA Certification  
(T/A 5/5/11)**

*Environmental Compliance Inspector I:*

This certification level is an entry-level position, and as such certification is not required at time of appointment. Certification at the Grade I level should be attained within two years of appointment to the position.

*Environmental Compliance Inspector II:*

The Environmental Compliance Inspector II position is a journey-level position. Three years of experience while in the possession of an Environmental Compliance Inspector Grade I license is required prior to progression to the Grade II classification.

- 8. Efficiencies of City Services:** Per Article XLI – Management Right to Contract with Outside Vendors, the City is in the process of analyzing efficiencies as to the means and methods of governmental operations. If it is determined that the City is to outsource or contract services, the City will meet and confer over the decision and effects as it relates to any services that specifically pertains to personnel represented by the ECEA.  
(T/A 6/7/11)

- 9. City Savings Clause:** If negotiations last beyond the term of the current agreement set to expire June 30, 2011, the loss of projected savings from the employee contributions towards the employee pension pick up

beginning July 1, 2011, will be added to the salary percentage reduction and associated furlough calculation.

**10. Personnel Rules and Regulations Review Committee:** The City has drafted an updated Personnel Rules and Regulations document. Human Resources, the City Attorney's Office, and two representatives from each employee group shall meet on a regular basis to finalize and implement the updated Personnel Rules and Regulations. **(T/A 5/18/11)**

~~11. The City believes the current structure of vacation accrual caps based on years of service is working effectively and no change in structure or payout for vacation excess is warranted. As in the past, if there is special circumstance related to workload (i.e., workers who could not take time off due to the fires in 2003 and 2007), the City is willing to consider those circumstances on a case-by-case basis. **(Withdrawn by ECEA 6/7/11)**~~

~~12. The City believes that entering into a "Waiver of Bargaining" (i.e., "Zipper Clause") restricts both parties from participating in meet and confer practices that may affect the bargaining unit during the term of the agreement. **(Withdrawn by ECEA 6/7/11)**~~

13. The City will use the "Terms and Conditions of Employment" dated October 27, 2010, as the foundation for language to create a successor MOU. The City will provide a draft MOU upon agreement to the ECEA for review and feedback prior to finalization.

**14. MOU Reopeners:**

**a. Healthcare Reform (T/A 5/18/11)**

At such time as regulations are issued implementing the Affordable Care Act (ACA), the City and ECEA will meet and confer to review the impact of such regulations on the benefits plans then in force. If modifications to the benefits, eligibility for coverage, employer or employee contribution to the cost of insurance or any other provisions of the benefit plans covered by this MOU will be modified by the ACA during the term of this agreement, it is agreed that the City and ECEA will reopen the contract to meet and confer and determine how such mandated changes will be implemented.

**b. Personnel Rules and Regulations (T/A 5/18/11)**

The final product of the Review Committee will be brought to the ECEA for finalization.

**c. City Hall Hours**

During the term of the agreement, the City may consider restoring Friday hours to City Hall. The City and the ECEA will meet and confer on the implications that affect the employees.

**Escondido City Employees Association  
Administrative/Clerical/Engineering Unit  
ECEA Economic Proposal #5  
June 20, 2011**

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SUBJECT TO RATIFICATION BY THE BARGAINING UNIT MEMBERSHIP, AND APPROVAL BY THE CITY COUNCIL, THE PARTIES HERETO AGREE TO INCLUDE IN THEIR SUCCESSOR MEMORANDUM OF UNDERSTANDING:

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1. **Term:** Two years (July 1, 2011 through June 30, 2013)
2. **Pension Reform**
  - A. **Two-Tier Retirement Formula for Newly-Hired Employees**
    - ❖ Implement a two-tier retirement for newly hired employees as follows:
      - 2% @ 60 retirement calculation;
      - Employees to pay entire Employer Paid Member Contribution (EPMC) to CalPERS; and
      - The use of average highest three years calculation.
  - B. **EPMC Reduction / Salary Offset**
    - ❖ Effective 7/1/2011, all ECEA-ACE Bargaining Unit Members will pick up an additional seven percent (7%) of their Employer Paid Member Contribution. As of July 1, 2011, all ECEA-ACE Bargaining Unit members will pay the entire 8% of their EPMC
    - ❖ Effective the closest pay period to 7/1/2011, all bargaining unit members will receive a 4% salary increase in consideration for each bargaining unit member picking up the entire 8% of their Employer Paid Member Contribution
3. **Furloughed Holidays**

Effective July 1, 2011, the furloughed holidays (New Year's, Martin Luther King, Presidents' and Memorial Days) (1.68% of salary) will be restored for all bargaining unit members
4. **Salary Increases**
  - ❖ Effective pay period closest to 7/1/12, all bargaining unit members will receive a 1.0% salary increase.
  - ❖ Effective pay period closest to 1/1/13, all bargaining unit members will receive a 1.0% salary increase.
5. **Medical and Dental Insurance Plans**
  - ❖ Effective January 1, 2013, any premium increases over the January 1, 2012, rates will be shared 50/50 between the Union and the City. If a rate increase is realized for the January 1, 2013 rates, the premium cost-share increase will be attributed to the level of coverage in the 2012 structure.
  - ❖ All other language as proposed by City on June 7, 2011.
6. **Efficiency of City Services**
  - ❖ As proposed by City on June 7, 2011
7. **MOU Language Cleanup**
  - ❖ MOU Language Cleanup as proposed by City

**Escondido City Employees Association  
Administrative/Clerical/Engineering Unit  
ECEA Economic Proposal #5  
June 20, 2011**

**8. Certification for Environmental Compliance Inspector – CWEA Certification**

- ❖ As proposed by City on April 13, 2011.

**9. MOU Reopeners**

- ❖ Health Care Reform
  - As proposed by City on May 18, 2011
- ❖ Personnel Rules and Regulations
  - The final product of the Review Committee will be brought to the ECEA for finalization. If the parties are unable to agree on a final product, then the parties shall meet and confer.
- ❖ City Hall Hours
  - During the term of the agreement, the City may consider restoring Friday hours to City Hall. The City will meet and confer on the implications that affect employees. However, if and when City Hall hours are restored, then the following elimination of salary reductions will occur simultaneously:
    - Elimination of Self-Directed Furloughs (4.96%)
    - Elimination of City Hall Furloughs (5.0%)

**10. Existing Language**

- ❖ Other than set forth herein, all language previously in the 2009-2010 ECEA ACE Memorandum of Agreement will be carried over to the successor agreement.

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**TENTATIVE AGREEMENT DATED:** \_\_\_\_\_

**For the City of Escondido:**

**For the Escondido City  
Employees Association:**

By: \_\_\_\_\_  
Sheryl Bennett  
Director of Human Resources

By: \_\_\_\_\_  
Ralph Ginese  
President

ARTICLE IV  
IMPASSE PROCEDURES

Section 16. Initiation of Impasse Procedures.

If the meet and confer process has reached impasse as defined in this resolution, either party may initiate the impasse procedures by filing with the other party a written request for an impasse meeting, together with a statement of its position on all disputed issues. An impasse meeting shall then be scheduled promptly by the Employee Relations Officer. The purpose of such impasse meeting shall be:

- a. To identify and specify in writing the issue or issues that remain in dispute.
- b. To review the position of the parties in a final effort to resolve such disputed issue or issues; and
- c. If the dispute is not resolved, the matter shall be handled as set forth in the impasse procedures provided herein.

Section 17. Impasse Procedures.

Impasse procedures are as follows:

- a. The Recognized Employee Organization shall file its statement of position in writing on all issues in contention with the City Clerk within ten (10) days of the impasse meeting.
- b. The City Manager shall cause the matter to be placed on the City Council agenda no sooner than ten (10) days after it has been filed with the City Clerk and no later than twenty (20) days after the impasse meeting.
- c. The City Council, after the Statement of Position has been filed or after the expiration of the date for filing such statement, shall take such action regarding the impasse as it, in its discretion, deems appropriate as in the public interest. Any legislative action by the City Council shall be final and binding.
- d. Nothing in this Section shall prohibit a more expeditious resolution of the impasse if such is mutually agreed to by the parties or if, in the judgment of the City Council, public or operational necessity dictates immediate action.

RESOLUTION NO. 2011-103

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, REGARDING THE DECLARATION OF IMPASSE FOR THE ESCONDIDO CITY EMPLOYEES' ASSOCIATION/ ADMINISTRATIVE, CLERICAL AND ENGINEERING BARGAINING UNIT, AND IMPOSING TERMS OF CITY'S LAST, BEST AND FINAL OFFER

WHEREAS, the Management Negotiating Team of the City of Escondido has met and conferred with the Escondido City Employees' Association/Administrative, Clerical and Engineering (ECEA/ACE) Bargaining Unit regarding wages, hours and other terms and conditions of employment for personnel represented by that organization, and has made detailed recommendations to the City Council in relation thereto; and

WHEREAS, the Management Negotiating Team of the City of Escondido has been unable to reach an agreement with the ECEA/ACE Bargaining Unit regarding wages, hours and other terms and conditions of employment; and

WHEREAS, the City and the ECEA/ACE Bargaining Unit are at impasse regarding wages, hours and other terms and conditions of employment for personnel represented by ECEA/ACE; and

WHEREAS, the ECEA/ACE Bargaining Unit exercised its right under the City's Employer-Employee Relations Resolution to have an impasse meeting with the City's Employee Relations Officer/City Manager on July 11, 2011; and

WHEREAS, the City Council has considered the statement of positions presented by the City's Management Negotiating Team and the ECEA/ACE Bargaining



Unit at a public hearing pursuant to the City's Employer-Employee Relations Resolution.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.
2. That the City Council of the City of Escondido hereby imposes the first year (FY 2011/12) of City's Last, Best and Final Offer on the ECEA/ACE Bargaining Unit, effective pay period beginning August 7, 2011, as set forth in the Terms and Conditions of Employment attached as Exhibit "A" to this resolution and incorporated by this reference.

**City of Escondido  
2011 Meet and Confer Process**

**Escondido City Employees' Association  
Administrative/Clerical/Engineering Bargaining Unit**

**1. Term:** July 1, 2011 – June 30, 2012

**2. Existing MOU Modifications:**

All concessions in the Terms and Conditions of Employment implemented on October 27, 2010, will remain in place until terminated. This document contains the specific language to said concessions and are outlined in City Council Resolution 2010-152 (R)

- A. Frozen Step Increases
- B. Frozen Certification Pay
- C. Frozen Class Progressions, with the exception of vacated progressive positions, in which the hiring department may choose to progress a current qualified incumbent who is frozen at a lower class as detailed in email correspondences between Human Resources and ECEA during 2/11 and 3/11. This practice will continue during this term.
- D. Frozen 401(k) Contributions by the City
- E. Furlough - City Hall Furlough and equivalent total salary reduction of 6.68%  
Or Self-Directed Furlough and equivalent total salary reduction of 6.64%

**3. Article IV – Salary, Furlough Program:**

Effective pay period ending December 24, 2011, furlough hours will be calculated on a per pay-period basis and deposited into the employees' Furlough Bank. All other provisions within the Terms and Conditions of Employment Article IV Salary –Furlough Program, related to the furlough policy will remain as previously outlined.

**4. Article XXV – CalPERS:**

**A. Second Tier Retirement Formula for Newly Hired Employees:**

A two-tier retirement system under Government Code Section 20475 will be implemented for newly hired employees. This second tier will be activated as soon as administratively possible after all

miscellaneous employee groups have completed the meet-and-confer process on this subject. The following will be applicable to the second tier:

1. 2% @ 60 retirement calculation;
2. Employees make 100% of the statutory employee contribution to CalPERS, currently seven percent (7%);
3. There will be no final-year concession of said payments to compensation for CalPERS benefit calculation purposes ("EPMC");
4. The use of average highest three years calculation.

**B. Current Employee Contributions:**

Effective pay period ending August 20, 2011, all current ECEA/ACE bargaining unit employees will make 100% of the statutory employee contribution to CALPERS, which will be applied to the Employees' Contribution and is currently eight percent (8%). The City will cease paying and reporting the value of the seven percent (7%) Employer Paid Member Contribution (EPMC). These contributions will be on a pre-tax basis.

**5. Article IV – Salary, Wages:**

Effective pay period ending August 20, 2011, the salary range for all represented classifications shall be increased by four percent (4%). This salary increase is concurrent with the employee payment of the entire eight percent (8%) normal member contribution required to be paid by a PERS member on a pre-tax basis.

**6. Article XVIII – Health Insurance:**

The Health Insurance Committee (HIC) is commencing its annual review of medical and dental insurance plans and the related designs of the various plans available to employees. Consistent with the MOU, the HIC may consider changes in health and dental plan design that may increase the cost to covered employees in such areas as doctor visit co-pays, prescription co-pays and the like.

The City will provide the lowest cost medical plan as recommended by the Health Insurance Committee (HIC) and approved by the City Council.

The current monthly rates, beginning January 1, 2011:

**Kaiser:**

	<u>City</u>	<u>Employee</u>
Employee Only	\$349.48	\$14.34
Employee + One	\$698.96	\$28.68
Family Coverage	\$986.59	\$43.02

**Blue Cross**

	<u>City</u>	<u>Employee</u>
Employee Only	\$349.48	\$116.32
Employee + One	\$698.96	\$279.22
Family Coverage	\$986.59	\$410.82

**5. Language Clean Up:**

- A. Remove Article XIX, Medicare Election Process (pg. 20)
- B. Article XXV, CALPERS, Remove Section H (pg. 23)

**6. Article XLI - Management Right to Contract with Outside Vendors:**

Efficiencies of City Services: The City is in the process of analyzing efficiencies as to the means and methods of governmental operations. If it is determined that the City is to outsource or contract services, the City will meet and confer over the decision and effects as it relates to any services that specifically pertains to personnel represented by the ECEA.

**7. Personnel Rules and Regulations Review Committee:**

The City has drafted an updated Personnel Rules and Regulations document. Human Resources, the City Attorney's Office, and two representatives from each employee group shall meet on a regular basis to finalize and implement the updated Personnel Rules and Regulations.

RESOLUTION NO. 2011-105

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
FOR PAYING AND REPORTING THE VALUE  
OF EMPLOYER PAID MEMBER  
CONTRIBUTIONS (GOVERNMENT CODE  
SECTION 20636(c)(4)) FOR THE ESCONDIDO  
EMPLOYEES' ASSOCIATION  
ADMINISTRATIVE, CLERICAL AND  
ENGINEERING UNITS

WHEREAS, the Escondido City Council has the authority to implement Government Code Section 20636(c)(4) pursuant to Section 20691; and

WHEREAS, the City previously had a written labor policy or agreement which specifically provided for the inclusion of normal member contributions paid by the employer on behalf of the members as special compensation;

WHEREAS, effective June 25, 2000, the City Council approved Resolution No. 2000-162 to elect to pay seven percent (7%) of employees' compensation Earnable as Employer Paid Member Contributions and report the same Percent (value) of compensation earnable as special compensation for all employees of the Escondido Employees' Association Administrative, Clerical and Engineering Unit;

WHEREAS, the City Council now desires to reduce the payment and reporting value of employees' compensation Earnable as Employer Paid Member Contributions from seven percent (7%) to zero percent (0%);

WHEREAS, the City has complied with the requirements of the Meyers-Milias-Brown Act (Government Code sections 3500-3510); and

WHEREAS, a required step in the procedure to change the paying and reporting of Employer Paid Member Contributions is the adoption by the City Council of a

Resolution to reduce paying and reporting the value of seven percent (7%) Employer Paid Member Contributions (EPMC);

WHEREAS, the following is a statement of the proposed change in reporting compensation to PERS:

**This change shall apply as follows:**

**The City of Escondido elects to pay zero percent (0%) of employee's compensation Earnable as Employer Paid Member Contributions and report the same Percent (value) of compensation earnable as special compensation. This shall apply to all employees of the Escondido City Employees' Association Administrative, Clerical and Engineering Unit employees.**

**The effective date of this Resolution shall be August 7, 2011.**

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.
2. The City Council elects to pay zero percent (0%) of employee's compensation Earnable as Employer Paid Member Contributions and report the same Percent (value) of compensation earnable as special compensation for all employees of the Escondido City Employees' Association Administrative, Clerical and Engineering Unit.

## CITY COUNCIL

For City Clerk's Use:

APPROVED  DENIED

Reso No. \_\_\_\_\_ File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 19**  
**Date: August 10, 2011**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Sheryl Bennett, Director of Human Resources  
**SUBJECT:** Labor Negotiations Impasse – Escondido City Employees' Association – Supervisory Bargaining Unit

RECOMMENDATION:

In accordance with the City of Escondido Employer-Employee Relations Resolution, the City Council will receive testimony from the City's Management Negotiating Team representative and the Escondido City Employees' Association (ECEA) – Supervisory (SUP) Bargaining Unit Team representative regarding the impasse status of current negotiations. The City Council will consider one of the following alternative actions upon conclusion of the presentations:

1. Direct staff to implement the first year (FY 2011/12) of Management Team's Last, Best and Final Offer dated June 23, 2011, and adopt Resolution 2011-104, effective pay period beginning August 7, 2011.
2. Direct staff to implement the first year (FY 2011/12) of the final proposal of the ECEA/SUP Bargaining Unit dated June 20, 2011, effective pay period beginning August 7, 2011.
3. Direct Management and ECEA/SUP bargaining teams to continue negotiating in an effort to reach agreement.

As a result of implementing actions #1 or #2, adopt Resolution No. 2011-112 pertaining to paying and reporting the value of the seven percent (7%) Employer Paid Member Contribution.

FISCAL ANALYSIS:

The Last, Best and Final Offer (LBFO) as proposed by the City's Management Team was for a two-year contract (July 1, 2011 – June 30, 2013). Per the Meyers-Millias-Brown Act (MMBA), only one year of a LBFO can be imposed by a public agency. On-going cost savings to the City for fiscal year 2011/12 are in the amount of \$129,736.

Effective December 24, 2011, furlough hours will be calculated and deposited into employee's furlough banks on a pay-period basis.

The first year of the Last, Best and Final Offer submitted by ECEA/SUP Bargaining Unit includes the items proposed by the Management Team's Last, Best and Final Offer, as well as the elimination of four furlough holidays. The removal of four furlough holidays equates to a 1.68% cost increase to the City, or a budget increase of \$74,861 for FY 2011/12.

PREVIOUS ACTION:

The City Council implemented Terms and Conditions of Employment with the ECEA/SUP Bargaining Unit on October 27, 2010.

BACKGROUND:

State law in the form of the MMBA requires public agencies to meet and confer with represented employee organizations over wages, hours and working conditions. The City originally adopted the Employer-Employee Relations Resolution (EERR) in March 1980, and the revised EERR in June 2008, implementing the MMBA for represented City employees. Contained within both the MMBA and the EERR are requirements for negotiating labor contracts.

Attached as background information for Council's review are the following:

- Attachment #1 - City Management Team's Last, Best and Final Offer to the ECEA/SUP Bargaining Unit
- Attachment #2 - ECEA/SUP Bargaining Unit's Last, Best and Final Offer
- Attachment #3 - Impasse Procedure, Article IV, Section 16 of the Employer-Employee Relations Resolution

Respectfully submitted,

  
Sheryl Bennett  
Director of Human Resources



**City of Escondido  
2011 Meet and Confer Process**

**ATTACHMENT #1**

**Escondido City Employees' Association  
Supervisory Bargaining Unit**

**Management Proposal #6 – LAST, BEST AND FINAL OFFER**

**1. Term: Two Years (T/A 5/18/11)**

**2. Existing MOU Modifications:**

Due to the fact that the City remains in a financial deficit, the current concessions are proposed to remain the same.

The City proposes that all concessions in the Terms and Conditions of Employment implemented on October 27, 2010, will remain in place until terminated. This document contains the specific language to said concessions and are outlined in City Council Resolution 2010-153 (R)

- a. Frozen Step Increases
- b. Frozen Certification Pay
- c. Frozen Class Progressions, *with the exception of vacated progressive positions, in which the hiring department may choose to progress a current qualified incumbent who is frozen at a lower class as detailed in email correspondences between Matilda Hlawek and Ralph Ginese during 2/11 and 3/11. This practice will continue during the term of the MOU.*
- d. Frozen 401(k) Contributions by the City
- e. Furlough - City Hall Furlough and equivalent total salary reduction of 6.68%  
Or Self-Directed Furlough and equivalent total salary reduction of 5.41%

Due to the continued projected financial deficit for fiscal year 11/12, the City holds on the position of maintaining cost concessions as outlined above, except for Item e (detailed in #3)

**3. Holiday Furlough:**

Effective July 1, 2012, the four furloughed holidays will be eliminated, and the salary reduction equaling a 1.68% will be restored.

**4. Furlough Bank Deposit:**

Furlough hours will be calculated on a per pay-period basis and deposited into the employees' Self-Directed Furlough Bank. All other provisions

within the Terms and Conditions of Employment *Article IV Compensation Policy –Furlough Program* related to the furlough policy will remain as previously outlined.

The table below represents FY 11/12 accruals, and will be adjusted in FY 12/13 to reflect the restoration of the four furloughed holidays.

FY 11/12 SUP	Annual		Accrual Hours Per Pay Period
	Hours	Pay Periods	
City Hall Employees	208.00	26.00	8.000
SDFP Employees	77.58	26.00	2.984
Holiday Furlough (all employees)	35.00	26.00	1.346

**5. Benefits/Compensation:**

**A. Pension**

**Two-Tier Retirement Formula for Newly Hired Employees  
(T/A 6/7/11)**

Implement a two-tier retirement system under Government Code Section 20475 for newly hired employees. This second tier will be activated as soon as administratively possible after all miscellaneous employee groups have completed the meet-and-confer process on this subject. The following will be applicable to the second tier:

1. 2% @ 60 retirement calculation;
2. Employees make 100% of the statutory employee contribution to CalPERS, currently 7%;
3. There will be no final-year concession of said payments to compensation for CalPERS benefit calculation purposes ("EPMC");
4. The use of average highest three years calculation.

**Current Employee Contributions**

***Current ECEA/SUPERVISORY represented employees will make 100% of the statutory employee contribution to***

***CALPERS, which will be applied to the Employees' Contribution, which is currently eight percent (8%) effective pay period beginning June 26, 2011. The City will cease paying and reporting the value of the seven percent (7%) Employer paid Member Contribution (EPMC). These contributions will be on a pre-tax basis. (T/A 6/23/11)***

**B. Compensation**

***(a) The City will increase the bargaining unit members' base salary by 4% effective pay period beginning June 26, 2011. (T/A 6/23/11)***

***(b) Effective pay period closest to 1/1/13 all ECEA/SUP represented employees shall receive a 1% salary increase. (T/A 6/20/11)***

**C. Medical and Dental Insurance Plans**

This item will inform the ECEA that the Health Insurance Committee (HIC) is commencing its annual review of medical and dental insurance plans and the related designs of the various plans available to employees. Consistent with the MOU, the HIC may consider changes in health and dental plan design that may increase the cost to covered employees in such areas as doctor visit co-pays, prescription co-pays and the like.

The City will provide the lowest cost medical plan as recommended by the Health Insurance Committee (HIC) and approved by the City Council.

Employee participation toward medical coverage will include the proportional percentage change in premium each "premium year" for the lowest cost medical plan after changes in Plan Design by the HIC and approval by the City Council until January 1, 2013. At which time, all levels of coverage will be capped at the 2012 rates.

Effective January 1, 2013, any medical or dental premium increases over the January 1, 2012, rates will be shared 50/50 between the ECEA and the City. If a rate increase is realized for the January 1, 2013 rates, the premium cost-share increase will be attributed to the level of coverage in the 2012 structure.

***(T/A 6/15/11)***

The current monthly rates, beginning January 1, 2011:

**Kaiser:**

	<u>City</u>	<u>Employee</u>
Employee Only	\$349.48	\$14.34
Employee + One	\$698.96	\$28.68
Family Coverage	\$986.59	\$43.02

**Blue Cross**

	<u>City</u>	<u>Employee</u>
Employee Only	\$349.48	\$116.32
Employee + One	\$698.96	\$279.22
Family Coverage	\$986.59	\$410.82

6. **MOU Language Clean Up:** *Article XIII, Leave of Absence Without Pay, Remove second paragraph of Section A (pg.28) (TIA 6/7/11)*
  
7. **Efficiencies of City Services:** *Per Article XXVI – Management Rights – Section 1 and Section 3, the City is in the process of analyzing efficiencies as to the means and methods of governmental operations. If it is determined that the City is to outsource or contract services, the City will meet and confer over the decision and effects as it relates to any services that specifically pertains to personnel represented by the ECEA. (TIA 6/7/11)*
  
8. **City Savings Clause:** *If negotiations last beyond the term of the current agreement set to expire June 30, 2011, the loss of projected savings from the employee contributions towards the employee pension pick up beginning July 1, 2011, will be added to the salary percentage reduction and associated furlough calculation.*
  
9. **Personnel Rules and Regulations Review Committee:** *The City has drafted an updated Personnel Rules and Regulations document. Human Resources, the City Attorney’s Office, and two representatives from each employee group shall meet on a regular basis to finalize and implement the updated Personnel Rules and Regulations. (T/A 5/18/11)*
  
- ~~10. The City believes the current structure of vacation accrual caps based on years of service is working effectively and no change in structure or payout for vacation excess is warranted. As in the past, if there is special circumstance related to workload (i.e., workers who could not take time off due to the fires in 2003 and 2007), the City is willing to consider those circumstances on a case-by-case basis. (Withdrawn by ECEA 6/7/11)~~
  
11. ~~The City believes that entering into a “Waiver of Bargaining” (i.e., “Zipper Clause”) restricts both parties from participating in meet and confer~~

practices that may affect the bargaining unit during the term of the agreement. **(Withdrawn by ECEA 6/7/11)**

12. The City will use the "Terms and Conditions of Employment" dated October 27, 2010, as the foundation for language to create a successor MOU. The City will provide a draft MOU upon agreement to the ECEA for review and feedback prior to finalization.

**13. MOU Reopeners:**

**a. Healthcare Reform (T/A 5/18/11)**

At such time as regulations are issued implementing the Affordable Care Act (ACA), the City and ECEA will meet and confer to review the impact of such regulations on the benefits plans then in force. If modifications to the benefits, eligibility for coverage, employer or employee contribution to the cost of insurance or any other provisions of the benefit plans covered by this MOU will be modified by the ACA during the term of this agreement, it is agreed that the City and ECEA will reopen the contract to meet and confer and determine how such mandated changes will be implemented.

**b. Personnel Rules and Regulations (T/A 5/18/11)**

The final product of the Review Committee will be brought to the ECEA for finalization.

**c. City Hall Hours**

During the term of the agreement, the City may consider restoring Friday hours to City Hall. The City and the ECEA will meet and confer on the implications that affect the employees.

**Escondido City Employees Association  
Supervisory Unit  
ECEA Economic Proposal #5  
June 20, 2011**

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SUBJECT TO RATIFICATION BY THE BARGAINING UNIT MEMBERSHIP, AND APPROVAL BY THE CITY COUNCIL, THE PARTIES HERETO AGREE TO INCLUDE IN THEIR SUCCESSOR MEMORANDUM OF UNDERSTANDING:

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1. **Term:** Two years (July 1, 2011 through June 30, 2013)
2. **Pension Reform**
  - A. **Two-Tier Retirement Formula for Newly-Hired Employees**
    - ❖ Implement a two-tier retirement for newly hired employees as follows:
      - 2% @ 60 retirement calculation;
      - Employees to pay entire Employer Paid Member Contribution (EPMC) to CalPERS; and
      - The use of average highest three years calculation.
  - B. **EPMC Reduction / Salary Offset**
    - ❖ Effective 7/1/2011, all ECEA-SUP Bargaining Unit Members will pick up an additional seven percent (7%) of their Employer Paid Member Contribution. As of July 1, 2011, all ECEA-SUP Bargaining Unit members will pay the entire 8% of their EPMC
    - ❖ Effective the closest pay period to 7/1/2011, all bargaining unit members will receive a 4% salary increase in consideration for each bargaining unit member picking up the entire 8% of their Employer Paid Member Contribution
3. **Furloughed Holidays**
  - ❖ Effective July 1, 2011, the furloughed holidays (New Year's, Martin Luther King, Presidents' and Memorial Days) (1.68% of salary) will be restored for all bargaining unit members
4. **Salary Increases**
  - ❖ Effective pay period closest to 7/1/12, all bargaining unit members will receive a 1.0% salary increase.
  - ❖ Effective pay period closest to 1/1/13, all bargaining unit members will receive a 1.0% salary increase.
5. **Medical and Dental Insurance Plans**
  - ❖ Effective January 1, 2013, any premium increases over the January 1, 2012, rates will be shared 50/50 between the Union and the City. If a rate increase is realized for the January 1, 2013 rates, the premium cost-share increase will be attributed to the level of coverage in the 2012 structure.
  - ❖ All other language as proposed by City on June 7, 2011.
6. **Efficiency of City Services**
  - ❖ As proposed by City on June 7, 2011
7. **MOU Language Cleanup**
  - ❖ MOU Language Cleanup as proposed by City

**Escondido City Employees Association  
Supervisory Unit  
ECEA Economic Proposal #5  
June 20, 2011**

**8. MOU Reopeners**

- ❖ **Health Care Reform**
  - As proposed by City on May 18, 2011
- ❖ **Personnel Rules and Regulations**
  - The final product of the Review Committee will be brought to the ECEA for finalization. If the parties are unable to agree on a final product, then the parties shall meet and confer.
- ❖ **City Hall Hours**
  - During the term of the agreement, the City may consider restoring Friday hours to City Hall. The City will meet and confer on the implications that affect employees. However, if and when City Hall hours are restored, then the following elimination of salary reductions will occur simultaneously:
    - Elimination of Self-Directed Furloughs (3.73%)
    - Elimination of City Hall Furloughs (5.0%)

**9. Existing Language**

- ❖ Other than set forth herein, all language previously in the 2009-2010 ECEA SUP Memorandum of Agreement will be carried over to the successor agreement.

**TENTATIVE AGREEMENT DATED:** \_\_\_\_\_

**For the City of Escondido:**

**For the Escondido City  
Employees Association:**

By: \_\_\_\_\_  
Sheryl Bennett  
Director of Human Resources

By: \_\_\_\_\_  
Ralph Ginese  
President

ARTICLE IV  
IMPASSE PROCEDURESSection 16. Initiation of Impasse Procedures.

If the meet and confer process has reached impasse as defined in this resolution, either party may initiate the impasse procedures by filing with the other party a written request for an impasse meeting, together with a statement of its position on all disputed issues. An impasse meeting shall then be scheduled promptly by the Employee Relations Officer. The purpose of such impasse meeting shall be:

- a. To identify and specify in writing the issue or issues that remain in dispute.
- b. To review the position of the parties in a final effort to resolve such disputed issue or issues; and
- c. If the dispute is not resolved, the matter shall be handled as set forth in the impasse procedures provided herein.

Section 17. Impasse Procedures.

Impasse procedures are as follows:

- a. The Recognized Employee Organization shall file its statement of position in writing on all issues in contention with the City Clerk within ten (10) days of the impasse meeting.
- b. The City Manager shall cause the matter to be placed on the City Council agenda no sooner than ten (10) days after it has been filed with the City Clerk and no later than twenty (20) days after the impasse meeting.
- c. The City Council, after the Statement of Position has been filed or after the expiration of the date for filing such statement, shall take such action regarding the impasse as it, in its discretion, deems appropriate as in the public interest. Any legislative action by the City Council shall be final and binding.
- d. Nothing in this Section shall prohibit a more expeditious resolution of the impasse if such is mutually agreed to by the parties or if, in the judgment of the City Council, public or operational necessity dictates immediate action.



RESOLUTION NO. 2011-104

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
REGARDING THE DECLARATION OF IMPASSE  
FOR THE ESCONDIDO CITY EMPLOYEES'  
ASSOCIATION/ SUPERVISORY BARGAINING  
UNIT, AND IMPOSING TERMS OF CITY'S LAST,  
BEST AND FINAL OFFER

WHEREAS, the Management Negotiating Team of the City of Escondido has met and conferred with the Escondido City Employees' Association/Supervisory (ECEA/SUP) Bargaining Unit regarding wages, hours and other terms and conditions of employment for personnel represented by that organization, and has made detailed recommendations to the City Council in relation thereto; and

WHEREAS, the Management Negotiating Team of the City of Escondido has been unable to reach an agreement with the ECEA/SUP Bargaining Unit regarding wages, hours and other terms and conditions of employment; and

WHEREAS, the City and the ECEA/SUP Bargaining Unit are at impasse regarding wages, hours and other terms and conditions of employment for personnel represented by ECEA/SUP; and

WHEREAS, the ECEA/SUP Bargaining Unit exercised its right under the City's Employer-Employee Relations Resolution to have an impasse meeting with the City's Employee Relations Officer/City Manager on July 11, 2011; and

WHEREAS, the City Council has considered the statement of positions presented by the City's Management Negotiating Team and the ECEA/SUP Bargaining Unit at a public hearing pursuant to the City's Employer-Employee Relations Resolution.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.
2. That the City Council of the City of Escondido hereby imposes the first year (FY 2011/12) of City's Last, Best and Final Offer on the ECEA/SUP Bargaining Unit, effective pay period beginning August 7, 2011, as set forth in the Terms and Conditions of Employment attached as Exhibit "A" to this resolution and incorporated by this reference.

**City of Escondido  
2011 Meet and Confer Process**

**Escondido City Employees' Association  
Supervisory Bargaining Unit**

**1. Term:** July 1, 2011 – June 30, 2012

**2. Existing MOU Modifications:**

All concessions in the Terms and Conditions of Employment implemented on October 27, 2010, will remain in place until terminated. This document contains the specific language to said concessions and are outlined in City Council Resolution 2010-153 (R)

- a. Frozen Step Increases
- b. Frozen Certification Pay
- c. Frozen Class Progressions, with the exception of vacated progressive positions, in which the hiring department may choose to progress a current qualified incumbent who is frozen at a lower class as detailed in email correspondences between Human Resources and ECEA during 2/11 and 3/11. This practice will continue during this term.
- d. Frozen 401(k) Contributions by the City
- e. Furlough - City Hall Furlough and equivalent total salary reduction of 6.68%  
Or Self-Directed Furlough and equivalent total salary reduction of 5.41%

**3. Article IV – Salary, Furlough Program:**

Effective pay period ending December 24, 2011, furlough hours will be calculated on a per pay-period basis and deposited into the employees' Furlough Bank. All other provisions within the Terms and Conditions of Employment Article IV Salary –Furlough Program, related to the furlough policy will remain as previously outlined.

**4. Article V – Employee Benefits Program, Section 5, PERS:**

**A. Second Tier Retirement Formula for Newly Hired Employees:**

A two-tier retirement system under Government Code Section 20475 will be implemented for newly hired employees. This second tier will be activated as soon as administratively possible after all miscellaneous employee groups have completed the meet-and-confer

process on this subject. The following will be applicable to the second tier:

1. 2% @ 60 retirement calculation;
2. Employees make 100% of the statutory employee contribution to CalPERS, currently seven percent (7%);
3. There will be no final-year concession of said payments to compensation for CalPERS benefit calculation purposes ("EPMC");
4. The use of average highest three years calculation.

**B. Current Employee Contributions:**

Effective pay period ending August 20, 2011, all current ECEA/SUP bargaining unit employees will make 100% of the statutory employee contribution to CALPERS, which will be applied to the Employees' Contribution and is currently eight percent (8%). The City will cease paying and reporting the value of the seven percent (7%) Employer Paid Member Contribution (EPMC). These contributions will be on a pre-tax basis.

**5. Article IV – Compensation Policy, Section 1A, Wages:**

Effective pay period ending August 20, 2011, the salary range for all represented classifications shall be increased by four percent (4%). This salary increase is concurrent with the employee payment of the entire eight percent (8%) normal member contribution required to be paid by a PERS member on a pre-tax basis.

**6. Article V – Employee Benefits Program, Section 1, Health Insurance:**

The Health Insurance Committee (HIC) is commencing its annual review of medical and dental insurance plans and the related designs of the various plans available to employees. Consistent with the MOU, the HIC may consider changes in health and dental plan design that may increase the cost to covered employees in such areas as doctor visit co-pays, prescription co-pays and the like.

The City will provide the lowest cost medical plan as recommended by the Health Insurance Committee (HIC) and approved by the City Council.

The current monthly rates, beginning January 1, 2011:

**Kaiser:**

	<u>City</u>	<u>Employee</u>
Employee Only	\$349.48	\$14.34
Employee + One	\$698.96	\$28.68
Family Coverage	\$986.59	\$43.02

**Blue Cross**

	<u>City</u>	<u>Employee</u>
Employee Only	\$349.48	\$116.32
Employee + One	\$698.96	\$279.22
Family Coverage	\$986.59	\$410.82

**5. Language Clean Up:**

Article XIII, Leave of Absence Without Pay – Remove second paragraph of Section A (pg. 28).

**6. Article XXVI - Management Rights, Sections 1 and 3:**

Efficiencies of City Services: The City is in the process of analyzing efficiencies as to the means and methods of governmental operations. If it is determined that the City is to outsource or contract services, the City will meet and confer over the decision and effects as it relates to any services that specifically pertains to personnel represented by the ECEA.

**7. Personnel Rules and Regulations Review Committee:** The City has drafted an updated Personnel Rules and Regulations document. Human Resources, the City Attorney's Office, and two representatives from each employee group shall meet on a regular basis to finalize and implement the updated Personnel Rules and Regulations.

RESOLUTION NO. 2011-112

A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ESCONDIDO, CALIFORNIA,  
FOR PAYING AND REPORTING THE VALUE  
OF EMPLOYER PAID MEMBER  
CONTRIBUTIONS (GOVERNMENT CODE  
SECTION 20636(c)(4)) FOR THE ESCONDIDO  
EMPLOYEES' ASSOCIATION SUPERVISORY  
UNIT

WHEREAS, the Escondido City Council has the authority to implement Government Code Section 20636(c)(4) pursuant to Section 20691; and

WHEREAS, the City previously had a written labor policy or agreement which specifically provided for the inclusion of normal member contributions paid by the employer on behalf of the members as special compensation;

WHEREAS, effective June 25, 2000, the City Council approved Resolution No. 2000-164 to elect to pay seven percent (7%) of employees' compensation Earnable as Employer Paid Member Contributions and report the same Percent (value) of compensation earnable as special compensation for all employees of the Escondido Employees' Association Supervisory Unit;

WHEREAS, the City Council now desires to reduce the payment and reporting value of employees' compensation Earnable as Employer Paid Member Contributions from seven percent (7%) to zero percent (0%);

WHEREAS, the City has complied with the requirements of the Meyers-Milias-Brown Act (Government Code sections 3500-3510); and

WHEREAS, a required step in the procedure to change the paying and reporting of Employer Paid Member Contributions is the adoption by the City Council of a

Resolution to reduce paying and reporting the value of seven percent (7%) Employer Paid Member Contributions (EPMC);

WHEREAS, the following is a statement of the proposed change in reporting compensation to PERS:

**This change shall apply as follows:**

**The City of Escondido elects to pay zero percent (0%) of employee's compensation Earnable as Employer Paid Member Contributions and report the same Percent (value) of compensation earnable as special compensation. This shall apply to all Escondido City Employees' Association Supervisory Bargaining Unit employees.**

**The effective date of this Resolution shall be August 7, 2011.**

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.
2. The City Council elects to pay zero percent (0%) of employee's compensation Earnable as Employer Paid Member Contributions and report the same Percent (value) of compensation earnable as special compensation for all employees of the Escondido City Employees' Association Supervisory Unit.

**FUTURE CITY COUNCIL AGENDA ITEMS**  
**August 4, 2011**

*AGENDA ITEMS AND COUNCIL MEETING DATES ARE SUBJECT TO CHANGE. CHECK WITH THE CITY CLERK'S OFFICE AT 839-4617*

Green Sheet Due by Noon on Monday, 8/1/11  
Staff Reports/Resos due by Noon on Tuesday 8/9/11

**AUGUST 17, 2011**  
**4:30 p.m.**

	<b>CONSENT CALENDAR</b>
	<p><b>Resolution Establishing the Property Tax Rate and Fixed Charge Assessments for Bonded Indebtedness for FY 2011-12</b> (G. Rojas)</p> <p><i>Each year a property tax rates is established to generate an amount of revenue from the property tax base sufficient to pay the General Obligation Bond debt service (principal and interest) payable during the year.</i></p>
	<p><b>Budget Adjustment – Questys</b> (M. Whalen)</p> <p><i>A budget adjustment to upgrade the City's Imaging/Records Management System (Questys) to be compatible with the Windows 7 update.</i></p>
	<b>CURRENT BUSINESS</b>
	<p><b>Approval of the Voluntary Alternative Redevelopment Program</b> (G. Rojas)</p> <p><i>This Ordinance will allow the City Council to decide whether to continue the current Redevelopment Agency.</i></p>
	<p><b>Ground Lease at Mountain View Park</b> (J. VanLeeuwen)</p> <p><i>Archery In Motion is requesting a ground lease to establish a variety of archery instruction programs and classes at Mountain View Park.</i></p>
	<b>WORKSHOP</b>
	<p><b>Preliminary City Council Action Plan – Embrace Diversity</b> (J. Masterson and S. Bennett)</p> <p><i>The City Council Action Plan represents the City Council's collective vision for Escondido's future and the key activities that will be used to achieve that vision.</i></p>
	<p><b>Image and Appearance Element of 2011/2012 City Council Action Plan</b> (J. Masterson &amp; B. Redlitz)</p> <p><i>The City Council Action Plan represents the City Council's collective vision for Escondido's future and the key activities that will be used to achieve that vision.</i></p>
	<b>Future Agenda Items (M. Whalen)</b>



Green Sheet Due by Noon on Monday, 8/8/11  
 Staff Reports/Resos due by Noon on Tuesday 8/16/11

**AUGUST 24, 2011**  
**4:30 p.m.**

	<p><b>CONSENT CALENDAR</b></p>
	<p><b>Second Amendment to the Consulting Agreement with SCS Engineers for Remediation of the Orange Glen Market Site</b>          (E. Domingue)</p> <p><i>As part of the Bear/East Valley Parkway project, the City acquired the Orange Glen Market site. This site was contaminated by petroleum products leaking from a fueling operation that ended with the removal of tanks in 1999. The City has and continues to work with the previous owner and the operator in the remediation of this site; the expenses are covered by state funding and the previous owner.</i></p>
	<p><b>PUBLIC HEARINGS:</b></p>
	<p><b>Casa Grande Mobilehome Park / Short-form Rent Increase Application</b>          (J. VanLeeuwen)</p> <p><i>The application meets all the eligibility criteria for submittal of a short-form rent increase application. The amount requested covers a 2-year period of consideration from December 31, 2008 to December 31, 2010. 75% of the change in the Consumer Price Index for the 2-year period is 1.393%. The Owner is requesting an increase for 95 of the 102 spaces in the park. Spaces not subject to rent control are vacant, occupied by Park management, or are on a long-term lease. The average space rent for the 95 spaces subject to the rent increase is \$452.96. The average increase per space is approximately \$6.31.</i></p>
	<p><b>CURRENT BUSINESS</b></p>
	<p><b>Facility Rental Fees for City Facilities and Program Fees for Recreation Programs</b>          (J. Van Leeuwen)</p> <p><i>Per Council direction, facility and program fees have been reviewed and recommendation for adjustments will be presented.</i></p>
	<p><b>Future Agenda Items (M. Whalen)</b></p>